

Update on the Social Housing Renovation and Retrofit Program

Date:	October 23, 2009
To:	Community Development and Recreation Committee
From:	General Manager, Shelter, Support and Housing Administration
Wards:	Ward 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44
Reference Number:	

SUMMARY

This report provides information on the status of funding approved by the Province under the Social Housing Renovation and Retrofit Program (SHRRP), including a list of all projects recommended to the Province under Year One of the Program.

SHRRP provides funding for repairs and energy retrofits to existing social housing units. The program is funded jointly by the federal government, as part of its Economic Action Plan for Canada stimulus initiatives, and the provincial government, as part of its Poverty Reduction Strategy. The Program will provide approximately \$220 million for eligible construction ready projects in Toronto that can be completed in fiscal 2009-2010 and 2010-2011. There is no requirement for the City to cost share in this funding program.

RECOMMENDATION

The General Manager, Shelter, Support and Housing Administration, recommends that, following completion of analysis and review of submissions for Year Two funding, the General Manager, Shelter, Support and Housing Administration, submit a report to the Community Development and Recreation Committee recommending approval of proposed projects for Year Two funding under the Social Housing Renovation and Retrofit Program.

Financial Impact

As all funding for SHRRP comes from federal and provincial programs, participation by the City of Toronto in the Social Housing Renovation and Retrofit Program has no net financial impact on the City's Operating Budget.

The provincial government has assigned notional SHRRP funding allocations to the City of Toronto of \$98,576,948 in 2009-10 and \$121,433,789 in 2010-11. In addition, the province is providing the City with \$100,000 in each of the two fiscal years to offset the cost of administering SHRRP.

On October 5, 2009 Executive Committee approved a recommendation that Council increase the Shelter, Support and Housing Administration 2009 Approved Operating Budget by \$98,676,948 gross and \$0 net to reflect the Year 1 funding of the Social Housing Renovation and Retrofit Program (EX35.15).

<http://www.toronto.ca/legdocs/mmis/2009/ex/bgrd/backgroundfile-23783.pdf>

The Shelter, Support and Housing Administration 2010 Operating Budget estimates include an additional \$121,533,789 gross and \$0 net to reflect SHRRP Year 2 funding.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of May 25-27, 2009, Council approved the recommendations in Executive Committee Report Ex 32.12, *Economic Stimulus Funding Investments in Social Housing Renovation and Retrofit*. The recommendations included a list of eligible and construction ready projects to form an initial request to the Province for SHRRP funding. Council requested that the General Manager, Shelter, Support and Housing Administration Division, report back to the Community Development and Recreation Committee for information on the funding approved by the Province. This report responds to that request.

<http://www.toronto.ca/legdocs/mmis/2009/cc/bgrd/ex32.12c.pdf>

ISSUE BACKGROUND

On January 27, 2009, as part of its 2009 Economic Action Plan stimulus package, the federal government announced a one-time investment of \$1 billion over two years for social housing renovations and retrofits, on a cost shared basis with provincial governments. Subsequently, on March 26, 2009 as part of its 2009 Budget, the Ontario government announced funding for housing infrastructure initiatives to support its Poverty Reduction Strategy, including funds for social housing renovation and retrofit.

As a result of these federal and provincial budget commitments, \$704 million will be available to repair social housing in Ontario over the fiscal years 2009-10 and 2010-11 under SHRRP.

At its meeting of May 25-27, 2009, Council adopted a report that included a list of 2,511 potential social housing renovation and retrofit projects totalling \$195,725,002 that could proceed in the spring and summer of 2009. The list was compiled in response to a provincial request for information within a limited timeframe to gauge the potential for take-up of SHRRP funding. It was based on an assessment of housing provider interest within the parameters of information about SHRRP that was available at that time.

COMMENTS

SHRRP is a welcome investment of one time funding to address part of the outstanding capital repairs in social housing communities. SHRRP will provide the opportunity to invest new funding of nearly a quarter of a billion dollars in the renovation and retrofit of the City's existing stock of social housing. This investment is consistent with the strategic directions in Housing Opportunities Toronto, the City's Ten Year Affordable Housing Action Plan which was approved by Council in August 2009. Repairs funded under SHRRP will improve the condition of many social housing units in Toronto.

Year One Projects

The Ministry of Municipal Affairs and Housing released SHRRP Program Guidelines in June 2009. They identified three key priorities for the Program. These are:

- improving the health and safety of tenants
- increasing the energy efficiency of buildings, and
- increasing building accessibility for seniors and persons with disabilities.

On June 16, 2009, the Ministry confirmed that the City of Toronto's notional funding allocation for the program is \$98,576,948 in Year One and \$121,433,789 in Year Two, for a total of \$220,010,737.

Following confirmation of the provincial SHRRP guidelines and funding allocation, staff reviewed the list of potential projects approved by Council in order to meet the City's Year One funding allocation. Staff identified the projects that were most closely aligned with the three key provincial priorities (health and safety, energy efficiency and accessibility). Staff also reconfirmed that these projects continued to meet the project readiness requirements defined in the provincial guidelines. Based on this review, a revised list of 1,217 projects totalling the Year One allocation of \$98,576,948 from 139 providers across the City, including Toronto Community Housing Corporation, has been recommended to the province for Year One SHRRP funding. This list is attached for information as Appendix A.

All projects recommended to the province for Year One funding were on the original list approved by City Council in May. If an approved project does not proceed for any reason, the City may reallocate Year One funding from that project to another project from the Council approved list.

Year Two Projects

In August 2009, housing providers were invited to submit project proposals for funding under Year Two of SHRRP.

Staff are currently assessing proposals and verifying information submitted by housing providers. Analysis reveals that the total dollar amount of the requests is between two and three times the City's notional Year Two allocation of \$121,433,789. This includes proposals from Toronto Community Housing Corporation for 239 projects totalling \$142,655,200 and from 177 other housing providers for 2,006 projects totalling \$173,372,041.

Once the analysis of submissions has been completed, it is recommended that the General Manager, Shelter, Support and Housing Administration, submit a report to the Community Development and Recreation Committee recommending approval of proposed projects for Year Two funding.

Regeneration Projects

The City is permitted to use up to 10 per cent of its total two year SHRRP allocation to fund regeneration projects. These are projects that entail fundamental change in existing buildings through reconfiguration or complete reconstruction. Regeneration projects will be approved by the Province based on submission of business cases. The City has received and is reviewing regeneration funding requests submitted by housing providers.

Once the analysis of submissions has been completed, it is recommended that the General Manager, Shelter, Support and Housing Administration, submit a report to the Community Development and Recreation Committee recommending approval of proposed regeneration projects for Year Two funding.

Program Administration

The City has entered into an Administration Agreement with the Province that specifies principles, requirements and procedures regarding reporting, payments and the creation of funding agreements for specific projects.

For each project that the Province approves for funding, the City and Province enter into a Provincial Funding Agreement. This agreement establishes the specific program requirements related to that project. Upon execution of each Provincial Funding Agreement, the Province forwards to the City 20 percent of the funding for the projects covered under the Agreement. A further 50 percent of the approved funding is forwarded

to the City when projects begin construction, and the balance of approved funding is flowed when projects reach 90 percent completion.

Once the Provincial Funding Agreements are signed, the City enters into Provider Funding Agreements with the housing providers. The City will flow funds to housing providers based upon the satisfactory completion of specified milestones. Staff will also ensure that provincial program guidelines and reporting requirements are met by completing verification procedures including review of invoices, review of financial statements and site visits.

The Province, while recognizing that there are administrative costs associated with managing SHRRP, is providing the same level of administration funding to all municipal service managers across Ontario regardless of size. The Province has committed \$200,000 over two years to offset Toronto's administration costs. Given the relative size of the City's notional allocation in comparison with other municipal service managers, a business case has been submitted to the Ministry requesting an increase to the total administration funding.

Conclusion

While SHRRP is a complex program to administer, it represents a significant and welcome contribution to social housing investment by the federal and provincial governments. It demonstrates the role that other orders of government need to play in protecting the availability of social housing. It also shows the value of partnerships and collaboration between governments and community housing providers. Above all, SHRRP provides a tremendous opportunity for the City to move forward in the implementation of Housing Opportunities Toronto, the City's Ten Year Action Plan for Affordable Housing.

CONTACT

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SIGNATURE

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ATTACHMENT

Appendix A: Year One SHRRP Projects