



STAFF REPORT ACTION REQUIRED

Investment in Affordable Housing 2012 Budget Adjustment

Date:	October 3, 2012
To:	Budget Committee
From:	General Manager, Shelter, Support and Housing Administration, and Director, Affordable Housing Office
Wards:	All
Reference Number:	

SUMMARY

The Federal and Provincial governments have committed \$480.6 million in Ontario through the Investment in Affordable Housing (IAH) program over the next four years (2012-2015). The City of Toronto has been allocated \$108,337,484 for initiatives under four program components – housing allowances, home repair funding, construction of new rental housing, and affordable home ownership.

This report requests a budget adjustment of \$12,455,000 gross and \$0 net to the 2012 Approved Operating Budget for Shelter, Support and Housing Administration to reflect the additional revenues and expenses associated with the IAH program.

RECOMMENDATIONS

The General Manager, Shelter, Support and Housing Administration, and the Director, Affordable Housing Office, recommend that:

1. the 2012 Approved Operating Budget for Shelter, Support and Housing Administration be increased by \$12,455,000 gross and \$0 net to reflect the funding of the Investments in Affordable Housing program.

Financial Impact

The Ministry of Municipal Affairs and Housing (MMAH) has approved the City of Toronto's Program Delivery and Fiscal Plan (PDFP) for the operating components of the Investment in Affordable Housing for Ontario (IAH) program. Toronto's PDFP was

approved June 13, 2012 and as such requires an in-year budget adjustment to facilitate payments to third parties such as homeowners and developers.

For 2012, the approved operating budget of Shelter, Support and Housing Administration must be increased by \$12,455,000 gross and \$0 net to make payments to the proponents participating in the Rental Housing component, \$10,800,000 (\$7.8 million for 3415 Weston Rd and \$3 million for TCH Regent Park revitalisation), Homeownership component, \$1,155,000, and the Toronto Renovates component, \$500,000, of IAH. Appendix A details the budget distribution for 2012 and the future year outlooks through 2015. The future year budget impacts will be included in the future-year operating budget submissions of the Affordable Housing Office and Shelter, Support and Housing Administration.

The total amount available to the City of Toronto for administration of the program is \$5,337,484 (5% of the total funding allocation). The administration dollars will be allocated to the Affordable Housing Office, \$2,561,992, Shelter, Support and Housing Administration, \$735,492, and the Ministry of Finance, \$2,040,000. For 2012, there is no impact due to the administrative component. The Affordable Housing Office and Shelter, Support and Housing Administration will include the administrative impacts as part of their budget submissions for 2013 and beyond.

There will be no net impact to the City as all program costs will be reimbursed by the Provincial government at 100%. The Province reserves the right to reallocate unspent funds between Service Managers.

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

Equity Impact

The services and supports to be funded through the IAH program will serve equity seeking groups such as women, seniors, people with disabilities, individuals with mental health issues, the working poor, those who are homeless and other vulnerable groups in the City of Toronto.

DECISION HISTORY

Council adopted the IAH funding allocations and program principles at its meeting of February 6 and 7, 2012.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX15.2>

ISSUE BACKGROUND

MMAH has approved the City of Toronto's PDFP for the operating components of the IAH program. From 2012 to 2015 the Provincial financial commitment is \$108,337,484.

The allocation of each program component, as approved by Council, is as follows:

Program Component	Allocation
Rental Housing	32,000,000
Homeownership	6,600,000
Housing Allowances	53,200,000
Toronto Renovates	11,200,000
Administration	5,337,484
Total	108,337,484

The City must develop its budget in accordance with the estimated timing of the actual revenue and expenditures to enable the transfer of funds to other organizations and individuals.

On July 4, 2011 a new framework for affordable housing was announced between the federal and provincial governments with \$1.4 billion in combined investments nationally. As part of this initiative, \$480.6 million is available in Ontario through the IAH program over four years, a joint initiative between Ontario and the Federal government. The allocation for the City of Toronto is \$108,337,484. The new program can include initiatives aimed at construction of new rental housing, affordable home ownership, home repair grants and housing allowances.

While welcome, the \$108 million in funding available through the IAH is not sufficient to meet the significant need for affordable housing in Toronto. Housing Opportunities Toronto identified that over the next ten years investments of \$483.7 million per year would be needed to meet the targets set out in the plan and to assist the more than 250,000 households with unmet housing needs in Toronto.

COMMENTS

On June 13, 2012 provincial officials advised that \$108,337,484 has been approved to the City of Toronto (2012 – 2015) as a conditional allocation under the IAH. This amount is based on the Province's approval of the PDFP submitted by the City.

The allocation of funding represents 100 percent federal/provincial funding with no matching funds required from the City. It is also additional to the \$257.2 million in 100 percent federal/provincial funding already allocated to the City under the Social Housing Renovation and Retrofit Program (SHRRP).

Of the \$108,337,484 allocated to the City of Toronto, \$55,240,000 will be retained by the Province for the delivery of the housing allowances; \$53,200,000 will be distributed to Toronto households over the life of the IAH program and \$2,040,000 will be used by the

Ministry of Finance to cover the cost of administration. The remaining \$53,097,484 will be distributed in the operating budget between years 2012 to 2015 as per Appendix A. The funds retained by the Province will not impact the City of Toronto's operating budget.

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ATTACHMENT

Appendix A: 2012 to 2015 Budget Distribution of IAH Funds

APPENDIX A
2012 to 2015 Budget Distribution of IAH Funds

Funding Component	2012	2013	2014	2015	Total
Rental Housing	\$10,800,000	\$13,740,000	\$6,460,000	\$1,000,000	\$32,000,000
Homeownership	\$1,155,000	\$2,062,500	\$2,970,000	\$412,500	\$6,600,000
Toronto Renovates	\$500,000	\$5,600,000	\$5,100,000	\$0	\$11,200,000
Housing Allowances*	NA	NA	NA	NA	\$53,200,000
Affordable Housing Office Administration	\$0	\$915,900	\$749,100	\$896,992	\$2,561,992
Shelter, Support and Housing Administration	\$0	\$245,164	\$245,164	\$245,164	\$735,492
Provincial Administration*	NA	NA	NA	NA	\$2,040,000
Total	\$12,455,000	\$22,563,564	\$15,524,264	\$2,554,656	\$108,337,484

* The funds will flow directly to the Ministry of Finance for housing allowances and administration. There will be no impact on the City of Toronto's operating budget for these components.