



Activating Federal/Provincial Funding to Increase Housing Options for Toronto Residents

Date: June 19, 2019
To: Planning and Housing Committee
From: Executive Director, Housing Secretariat
General Manager, Shelter Support and Housing Administration
Wards: All

SUMMARY

The City of Toronto is committed to providing affordable, well-maintained and secure housing as a key component of building and sustaining healthy and inclusive communities. The purpose of this report is to seek Council approval for the City of Toronto to participate in two new federal/ provincial housing and homelessness programs: the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI). The provincial government has allocated a three year total of \$159.8 million in federal/ provincial funding to the City of Toronto through the programs. Between 2019 and 2022, these programs will assist in maintaining and increasing housing options for some 9,000 low to moderate income Toronto households.

The delegated authorities sought in this report are time-critical as any delay in signing the Transfer Payment Agreement with the Province would miss the provincial deadline in activating these initiatives. This report also seeks Council approval for authority to make funding allocations under the various components of the two programs. The programs will further the City's housing, homelessness and poverty reduction goals, assist the non-profit housing sector and support mixed-income, complete communities, while complementing the City's own housing programs.

COCHI is intended to support non-profit community housing providers through both capital and operating funding. Capital funding can be used to support community housing provider's repair or renovate building systems and carry out health and safety repairs. Operating funding can be used for rent supplements or transitional operating funding. The objective of COCHI is to stabilize the supply of community housing through repairs, renovations, operating and rent supports to protect tenant's social housing in projects with expiring operating agreements or mortgages. This report recommends allocating the majority of COCHI funds to the operating components to secure long-term affordability for residents in receipt of rent-g geared-to-income (RGI) assistance in social housing projects developed through federal social housing programs.

OPHI provides both operating and capital funding. The operating component can be used for housing allowance/rent supplement programs to make rents more affordable for tenants in existing rental buildings and provide support services. The three capital components are: new non-profit rental housing construction, home repair funding and home-ownership loan funding. OPHI is a continuation of the Investment in Affordable Housing Program.

This report requests authorization for the General Manager, Shelter, Support and Housing Administration and the Executive Director, Housing Secretariat to enter into agreements with the Government of Ontario and other organizations to deliver the initiatives and ensure effective use of available federal/provincial funding. COCHI and OPHI are a part of the bi-lateral agreement signed in April 2018 between the Government of Canada and Government of Ontario under the National Housing Strategy.

RECOMMENDATIONS

The Executive Director, Housing Secretariat and General Manager, Shelter, Support and Housing Administration recommend that:

1. City Council authorize the General Manager, Shelter, Support and Housing Administration, in consultation with the Executive Director, Housing Secretariat, to enter into a Transfer Payment Agreement and/or related agreement(s) with the Ministry of Municipal Affairs and Housing or any other provincial entity necessary for the receipt and expenditure of funding under the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) on such terms and conditions as are satisfactory to the General Manager, Shelter, Support and Housing Administration, in consultation with the Executive Director, Housing Secretariat, and in a form approved by the City Solicitor.
2. City Council approve the receipt of Ontario Priorities Housing Initiative and the Canada-Ontario Community Housing Initiative program funds for provision of housing services and initiatives, in accordance with the terms and conditions of the Transfer Payment Agreement and any related agreements, directives or program guidelines.
3. City Council authorize the General Manager, Shelter Support and Housing Administration in consultation with Executive Director, Housing Secretariat, to increase the 2019 approved Operating Budget for Shelter Support and Housing Administration by \$11,800,000, \$0 net fully funded through the Ontario Priorities Housing Initiative and the Canada-Ontario Community Housing Initiative, with future year requests subject to Council approval through the annual budget process.
4. City Council authorize the General Manager, Shelter, Support and Housing Administration, in consultation with the Executive Director, Housing Secretariat, to undertake Ontario Priorities Housing Initiative and the Canada-Ontario Community

Housing Initiative program administration in accordance with the approved allocations and the Transfer Payment Agreement, including appropriate measures as the program proceeds to adjust program parameter, recipients, and year-end funding among program components as required to ensure full and effective use of available federal/provincial funds.

5. City Council authorize the General Manager, Shelter, Support and Housing Administration, in consultation with the Executive Director, Housing Secretariat, to develop Investment and Sustainability Plans, outlining funding priorities, in accordance with the terms and conditions of the Transfer Payment Agreement and any related program guidelines, and to submit the plans and any updates to the Ministry of Municipal Affairs and Housing.

6. City Council authorize the General Manager, Shelter, Support and Housing Administration, or the Executive Director, Housing Secretariat, as appropriate, to enter into agreements or other suitable arrangements with the provincial government, other City divisions, community agencies, private entities and/or individuals to deliver the Ontario Priorities Housing Initiative and the Canada-Ontario Community Housing Initiative components in accordance with the terms and conditions of the program guidelines on terms and conditions satisfactory to the General Manager, Shelter, Support and Housing Administration or the Executive Director, Housing Secretariat and in a form satisfactory to the City Solicitor.

7. City Council request the General Manager, Shelter, Support and Housing Administration, in consultation with the Executive Director, Housing Secretariat, to report to the Planning and Housing Committee in Q1 2020, on activity to date and funding projections on the Ontario Priorities Housing Initiative and the Canada-Ontario Community Housing Initiative.

FINANCIAL IMPACT

The City of Toronto has been allocated \$159.8 million in funding through the new Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) to be allocated between 2019 and 2022. The allocation for Toronto is illustrated in the chart below.

Program	2019-2020 Confirmed Allocation	2020-2021 Planning Allocation	2021-2022 Planning Allocation	Total
Canada-Ontario Community Housing Initiative	\$11,471,429	\$30,942,992	\$47,262,072	\$89,676,493
Ontario Priorities Housing Initiative	\$30,180,700	\$15,635,800	\$24,341,900	\$70,158,400
Total:	\$41,652,129	\$46,578,792	\$71,603,972	\$159,834,893

Recommendation #3 will increase the 2019 Approved Operating Budget for SSHA by \$11,800,000 gross and \$0 net, to be funded from the City's allocation of COCHI and OPHI program funds. Future year requests are subject to Council approval through the annual budget process.

Implementation Details

a. Delegated Authority for Agreements and Allocations

To participate in the OPHI and COCHI, this report seeks Council's delegated authority for the General Manager, Shelter, Support and Housing Administration, in consultation with the Executive Director, Housing Secretariat, to enter into program administration agreements and make allocations to meet the federal/provincial funding deadlines. The approvals sought in this report includes making funding allocations under the different program components to meet federal/provincial deadlines.

b. Investment Plan

The Ministry of Municipal Affairs and Housing requires Municipal Service Managers to submit an Investment Plan outlining how COCHI and OPHI funding will be invested annually over the next three years (2019-2022). If the City's allocation is not committed in a particular calendar year, the province will redistribute it to other municipal service managers. The inability to carry funds over into the next fiscal year creates strict end-of-year deadlines.

c. Program Administration

As part of the funding programs, the City will be responsible for entering into and executing funding agreements with housing providers, monitoring projects, and fulfilling reporting requirements.

The Executive Director, Housing Secretariat, and General Manager, Shelter Support and Housing Administration will review administrative requirements to deliver the programs and report on staffing implications through a budget adjustment or the annual budget process.

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

EQUITY IMPACT

Affordable housing and homelessness services respond to the needs of vulnerable Torontonians. The results of investments described in this report will assist many of the City's equity-seeking groups, including seniors, persons with disabilities, survivors of domestic abuse and low-income individuals, and families. Funding program requirements also identify the preservation and improvement of Indigenous housing developed under the former federal Urban Native housing program.

This funding will assist non-profit housing providers maintain existing and deliver new affordable housing to lower-income Toronto residents. Housing allowances/rent supplements, support services, new affordable rental and ownership housing and home renovations for low-income residents will improve the economic and social well-being of these residents and the City as a whole.

These goals are outlined in the City's 10-year affordable housing action plan, Housing Opportunities Toronto, in the City's Poverty Reduction Strategy and in SSHA's Housing Stability Service Plan. SSHA and the Housing Secretariat will continue to measure the results of these initiatives including equity-related outcomes.

DECISION HISTORY

At its meeting of May 28, 2019 the City's Planning and Housing Committee deferred item PH6.3 Expanding the Housing Allowance Program. The associated staff report from the Executive Director, Housing Secretariat, was in response to City Council's request, originating from a Member's Motion, that the General Manager, Shelter Support and Housing Administration report on potential measures and funding options to expand the housing allowance program, including the creation of a new upper tier of the Municipal Land Transfer Tax (MLTT). The report provides background on the City's housing allowance program, reviews the impact of expanding the program, and addresses funding options. A supplementary report to item PH6.3 provides housing allowance program implementation details. The supplementary report is concurrent with this report and contingent on this report's adoption by City Council.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH6.3>

At its meeting of July 12, 13, 14 and 15, 2016 City Council adopted EX16.50 Request for Investment in Affordable Housing Program Delivery and EX16.50b New Federal/Provincial Affordable and Social Housing Investments from the Social Infrastructure Fund which enabled the City's participation in the Federal/Provincial Social Infrastructure Fund. \$154.3 million in funding was provided to the City under four program components - housing allowances, home repair funding, construction of new rental housing, and affordable home ownership assistance.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.50>

At its meeting of June 10, 11, 12 and 13, 2014, City Council adopted EX42.15 Investment in Affordable Housing Program Extension which enabled the City's participation in the Federal/Provincial extension of the Investment in Affordable Housing Program. \$197 million in funding was provided to the City under four program components - housing allowances, home repair funding, construction of new rental housing, and affordable home ownership assistance.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX42.15>

At its meeting of February 6 and 7, 2012, City Council adopted EX15.2 Investments in Affordable Housing: Proposed Program Allocations for New Federal/Provincial Funding which allocated \$108 million in Federal/Provincial funding in the form of housing allowances, home repair funding, and construction of new rental housing, and affordable home ownership loans.

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

At its meeting of August 5 and 6, 2009, City Council adopted EX33.47 Housing Opportunities Toronto: An Affordable Housing Action Plan 2010-2020. The HOT plan requests that the federal and provincial governments implement a fully funded long-term housing plan consistent with the City's 10 year Action Plan.

<https://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-08-05-cc38-dd.htm>

COMMENTS

The federal and provincial governments have committed \$159.8 million to the City of Toronto through the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) over the next three years (2019-2022). COCHI and OPHI are a part of the bi-lateral agreement signed in April 2018 between the Government of Canada and Government of Ontario under the National Housing Strategy. The Government of Ontario confirmed Toronto's funding allocations in an April 17, 2019 letter to the Mayor and staff have been provided provincial guidelines for both initiatives.

This report requests authorization for the General Manager, Shelter, Support and Housing Administration and the Executive Director, Housing Secretariat to enter into agreements with the Government of Ontario and other organizations to deliver the initiatives and ensure effective use of available federal/provincial funding. This delegated authority is required to meet the September 15, 2019 deadline for Toronto to

sign a Transfer Payment Agreement with the Province and ensure participation in the initiatives.

Canada-Ontario Community Housing Initiative (COCHI)

COCHI is a nine-year program with three 3-year funding cycles, representing the re-investment of federal funding for non-profit social housing that have been received annually by Service Managers since social housing was downloaded. This funding has been and was scheduled to continue to decline annually until 2032. For the first cycle of the program, the stated Provincial objective is to protect tenants in projects with expiring operating agreements or mortgages and to begin to stabilize the supply of community housing through rent support for residents, and funding for housing providers to support operation and to fund capital repairs and renovations.

COCHI consists of the following program components:

- a) Rent Supplements
- b) Transitional Operating Funding
- c) Repair

Rent Supplements - Rent-Geared-to-income (RGI) Support

Rent supplement programs improve housing affordability for low-income households by helping to bridge the difference between the rent that a household can afford to pay and market rent. The subsidy paid is referred to as a Rent-Geared-to-Income (RGI) subsidy. Rent supplement units are filled through the Centralized Waiting List and referral agreements and contribute to the City's provincially prescribed RGI. The use of COCHI funding for rent supplement agreements will protect tenants by ensuring the continuation of support for residents in receipt of RGI assistance in social housing buildings developed under former federal social housing programs.

Transitional Operating Funding

COCHI funding may be used to provide housing providers with a short-term transitional operating subsidy to address immediate areas of concern with the clear objective of reaching an operational and financial status that does not require an ongoing government subsidy. For example, a housing provider could use this funding to streamline business operations, acquire asset management planning services, and support acquisitions and mergers to improve operating efficiencies.

Any housing provider to receive a short-term transitional operating subsidy will be identified based on financial need to help stabilize operations and support the preservation of the affordable housing stock.

Repair

COCHI's capital component aims to preserve and extend the lifespan of social housing by providing repair and renovation funding to housing providers. Projects that receive

funding under this component must remain affordable for a ten-year period after the completion of work.

Utilizing COCHI to administer funding for one-time capital repairs will allow the City to anticipate and respond to urgent capital needs identified by housing providers to repair and renovate aging housing projects; carry out health and safety repairs and fix core building systems that affect the quality and safety of buildings for residents.

Ontario Priorities Housing Initiative (OPHI)

OPHI has the following program components:

- a) Rental Housing Component
- b) Homeownership Component
- c) Ontario Renovates Component
- d) Rental Assistance Component
- e) Housing Support Services Component

Operating and capital shares are expected to fluctuate year to year to ensure full funding take-up.

OPHI is a continuation of the 2011-2015 Investment in Affordable Housing Program and its 2014-2020 Extension. OPHI includes both capital and operating funding. The three capital components are: new rental housing construction, home repair funding and home-ownership loan funding. The two operating components are rental assistance (housing allowance/rent supplement programs) to make rents more affordable for tenants in rental housing and a new housing support services component.

Rental Housing Component

Under OPHI, new non-profit rental construction, acquisition and conversion projects are eligible for up to \$150,000 per unit. To be eligible for funding, projects must be non-profit/ municipal/ co-operative developments or partnerships, and provide deeper and longer term affordability. The City has been delivering new rental homes under similar federal/provincial programs in partnership with the non-profits and private sector for many years.

Homeownership Component

The Homeownership component aims to assist low to moderate income renter households to purchase homes by providing down payment assistance towards the purchase price of the home. The homeownership component provides low-to moderate-income renter households the opportunity to move into ownership, allowing individuals to build equity and assist with relieving the pressure on the rental market.

Ontario Renovates Component

The Ontario Renovates component has been delivered since 2011 as the Toronto

Renovates Program. This program funds essential repairs and accessibility modifications for home owners who are seniors and/or persons with a disability and for rooming houses.

Rental Assistance Component

The Rental Assistance Component aims to address affordability issues through either rent supplements or housing allowances. A portion of OPHI will be allocated to housing allowances, a fixed housing benefit of up to \$600 per month provided directly to eligible households along with bridging grants that support households with transitional costs including first and last month's rent.

OPHI housing allowance funding will support the City's chronic homelessness housing allowance program stream. An estimated 3,200 households are anticipated to be assisted with housing allowances funded by OPHI. A concurrent report, supplementary to item PH6.3 Expanding the Housing Allowance Program, provides implementation details regarding the City's chronic homelessness housing allowance program stream.

Housing Support Services Component

The Housing Support Services Component aims to promote housing retention, greater self-reliance and social inclusion, by funding a range of support services for tenants. Examples of support services eligible for funding including counselling, harm reduction, crisis prevention, support with physical and cognitive disabilities, and personal care.

Next Steps

- September 15, 2019: Submit Investment Plan to the Province for review.
- September 15, 2019: Sign Transfer Payment Agreement with the Province.
- December 15, 2019: Third quarter report to be submitted to Province.
- February 15, 2020: Fourth quarter report to be submitted to Province.
- May 31, 2020: Year-end report on Investment Plan to be submitted to Province.
- Ongoing: Implement and monitor funded projects.

Conclusion

The announcements from the provincial and federal governments of continued investment in the community housing sector is a very positive development for the City, as it will support ongoing efforts to provide housing options and supports that better meet Toronto's diverse housing needs.

This report has requested authorization for the General Manager, Shelter, Support and Housing Administration and the Executive Director, Housing Secretariat to enter into agreements with the Government of Ontario and other organizations. Council approval is critically important as the deadline to sign a Transfer Payment Agreement with the Province and ensure participation in the initiatives is September 15, 2019, while the next City Council meeting is not until October 2019.

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