

## **Economic Stimulus Funding Investments in Social Housing Renovation and Retrofit**

<b>Date:</b>	May 22, 2009
<b>To:</b>	City Council
<b>From:</b>	General Manager, Shelter, Support and Housing Administration
<b>Wards:</b>	All
<b>Reference Number:</b>	

### **SUMMARY**

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The Ministry of Municipal Affairs and Housing announced in March 2009 that more than \$700 million in federal and provincial funding would be available for social housing renovation and retrofit across the province. This is a welcome announcement for one time funding to address part of the outstanding capital repairs in social housing communities.

On April 21, the Ministry requested submission of construction-ready projects by May 8. This report recommends that Council approve the renovation and retrofit projects submitted to the Province and as outlined in this report. The report also recommends actions necessary to deliver any funding approved.

### **RECOMMENDATIONS**

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The General Manager, Shelter, Support and Housing Administration, recommends that:

1. Council approve the social housing renovation and retrofit projects, as outlined in Appendices A and B, as the City's initial request to the Province for funding under the Federal/Provincial Economic Stimulus Program for Social Housing Renovation and Retrofit;
2. should any or all of the projects outlined in Appendices A and B be approved for funding by the Province:

- a. Council approve the acceptance of up to \$195,725,002 from the Province as a one time capital allocation for renovation and retrofit of the social housing stock, plus any additional administrative funding provided by the Province to deliver the program;
  - b. the General Manager, Shelter, Support and Housing Administration, or designate, in consultation with the City Solicitor, be authorized to enter into a funding or similar agreement with the Ministry of Municipal Affairs and Housing or related entity for social housing renovation and retrofit funding;
  - c. the 2009 Approved Operating Budget for Shelter, Support and Housing Administration be increased by a maximum of \$195,725,002 gross, plus any additional administrative funding provided by the Province to deliver the program, and \$0 net, with spending conditional on receiving provincial funding;
  - d. the General Manager, Shelter, Support and Housing Administration, be authorized to enter into agreements with other City divisions, non-profit and cooperative housing provider agencies, and/or private sector organizations to deliver the approved projects in line with the terms and conditions of the agreement;
  - e. the General Manager, Shelter, Support and Housing Administration, report to Budget Committee with details of any additional projects and final provincial approvals for the Social Housing Renovation and Retrofit Program in September 2009;
  - f. based upon a finalized funding or similar agreement with the Ministry of Municipal Affairs and Housing or related entity, the General Manager, Shelter, Support and Housing Administration, or designate, be authorized to undertake whatever additional measures are necessary to deliver the Social Housing Renovation and Retrofit Program, in accordance with the agreement;
3. the General Manager, Shelter, Support and Housing Administration, be authorized to report directly to the next meeting of Council if new information concerning social housing renovation and retrofit funding becomes available;
  4. in the event that additional information regarding subsequent phases of funding is not available prior to the next meeting of Council and the Ministry of Municipal Affairs and Housing makes further social housing renovation and retrofit funding available prior to the next Council cycle in September 2009, the City Manager, in consultation with the General Manager, Shelter, Support and Housing Administration, be authorized to submit additional projects on behalf of City Council, accept additional federal/provincial funding and allocate funding to non-

profit and cooperative housing providers, and to enter into any necessary agreements to give effect thereto; and

5. the General Manager, Shelter, Support and Housing Administration, report back to the Community Development and Recreation Committee for information on the funding approved by the Province.

## **Financial Impact**

This report seeks approval for funding requests submitted to the Ministry of Municipal Affairs and Housing on May 8, 2009. If approved, the initial phase of federal/provincial funding will result in an increase of up to \$195,725,002 gross, plus any additional administrative funding provided by the Province to deliver the program, and \$0 net to the 2009 Approved Operating Budget of Shelter, Support and Housing Administration. In the event that additional funding/projects are confirmed, the General Manager of Shelter, Support and Housing Administration will report to Budget Committee on the financial implications in September 2009.

This report also recommends that Council approve the request of \$195,725,002 for renovation and retrofit funding for non-profit and cooperative housing providers as detailed in Appendices A and B. The City will be disbursing the provincial one time payment in 2009 with work ending by March 2010.

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

## **DECISION HISTORY**

November 2007

*Tied In Knots: Unlocking the Potential of Social Housing Communities*

Staff have outlined the need for additional capital repair funding in several reports to City Council, beginning with reports prior to the transfer of social housing from the Province to the City in 2001. In November 2007, Council approved a three part strategy for renewing Toronto's social housing.

<http://www.toronto.ca/legdocs/mmis/2007/cd/bgrd/backgroundfile-8980.pdf>

June 2008

*Provincial Funding for Social Housing Capital Repairs*

<http://www.toronto.ca/legdocs/mmis/2008/cd/bgrd/backgroundfile-14390.pdf>

Council approved allocation of \$36.459 million from the Province primarily for the repair of Toronto Community Housing Corporation (TCHC) housing stock.

June 2008

*Use of City Proceeds from the Sale of Toronto Hydro Telecom*

<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-13900.pdf>

Council approved the contribution of one time City proceeds resulting from the sale of Toronto Hydro Telecom Inc. by Toronto Hydro Corporation to TCHC to address the state of good repair capital backlog in TCHC buildings, estimated at \$300-350 million.

## **ISSUE BACKGROUND**

Social housing was transferred from the Province to the City of Toronto without the funds necessary to carry out capital repairs. Since 2001, the City has asked the Province repeatedly to acknowledge the funding shortfall and to provide additional funds to the City.

In June 2008, the Province announced a one time allocation of \$36 million as a capital allocation for repair of the social housing stock. This announcement represented the first time since the *Social Housing Reform Act* was enacted in December 2000 that the Province acknowledged its responsibility in providing capital funding for the repair of the downloaded social housing stock.

In June of 2008, City Council dedicated \$75 million in proceeds from the sale of Toronto Hydro Telecom to address the state of good repair capital backlog in TCHC buildings.

There remains an estimated \$200-250 million capital repair backlog in TCHC social housing communities. As well, there are an additional approximately 28,000 units of non-profit and cooperative housing operated by more than 250 housing providers. These providers also have capital repair needs, estimated at \$34 million per year, which remain unfunded.

In January 2009, as part of its 2009 Budget economic 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.

In March 2009 as part of its 2009 Budget, the Ontario government announced funding for housing infrastructure initiatives that support its Poverty Reduction Strategy, including funds for social housing renovation and retrofit.

On April 21, 2009, the Shelter, Support and Housing Administration Division received a letter from the Ministry of Municipal Affairs and Housing regarding the \$704 million being jointly invested by the federal and provincial governments in social housing renovation and retrofit in Ontario. The Ministry requested that the City of Toronto, as the local Service Manager, identify construction-ready social housing renovation and retrofit projects that could proceed in the spring and summer of 2009.

## **COMMENTS**

In its letter, the Province requested a list of high priority construction-ready projects to be submitted by May 8, 2009. Over the 14 working days available between receipt of the

provincial letter and this deadline, City staff consulted extensively with its 250 social housing provider partners, including TCHC, to identify possible projects.

## **Program Criteria**

The Province has not yet issued detailed guidelines on eligible costs and program criteria, but has indicated priorities which should be used in the development of project lists. These priorities include reduction of waiting lists, restoration of vacant or abandoned units, health and safety, enhanced energy efficiency, reduced operating costs and/or enhanced accessibility.

Projects are to be construction-ready, meaning projects that are ready for issuance of a building permit, have proof of insurance and proof of financing. Projects submitted are required to be ready to start by June 2009. Federal funding is being offered on a strict “use it or lose it” basis, and Ontario’s allocations that are not spent by fiscal year end (March 31, 2010) will lapse. Where repair or construction work has not started within three months of finalizing an agreement, funding could be reallocated to other service managers or other provinces and territories.

Federal criteria state that repair and retrofit funding can only be used for housing that was originally built with federal or federal/provincial funding. There are a total of 259 unilateral provincial funded projects with 15,419 units in the City of Toronto (approximately 18% of the total social housing stock). The Province is working to confirm eligibility for these unilateral provincially funded projects.

## **Funding Requested**

Based on these criteria, City staff requested that housing providers submit information on renovation and retrofit projects that were already planned or could be implemented quickly. Staff reviewed submissions against the stated provincial criteria and developed a list of 1,789 projects that were federal or federal/provincial funded, which met the stated priorities and which would be construction-ready by the summer. An additional 155 projects with late-summer start dates which could be completed by March 31, 2010 were also identified and submitted to the Province. The total funding request for these projects was \$179,797,968 (see Appendix A).

Concerning the projects unilaterally funded by the Province, an additional 567 renovation and retrofit projects worth \$15,927,034 have also been identified for these buildings and submitted to the Province for funding, should they be declared eligible (see Appendix B). The total funding request for all projects, including Provincial unilateral funded projects, is \$195,725,002.

## Project Summary

Category	TCHC Projects		Non-TCHC Non-Profit and Cooperative Projects		Total	
	#	\$	#	\$	#	\$
Summer Ready	434	105.6 m	1,355	39.9 m	1,789	145.5 m
Late Summer Ready	88	24.5 m	67	9.8 m	155	34.3 m
Unilateral Provincial Projects	40	5.6 m	527	10.3 m	567	15.9 m
<b>TOTAL</b>	<b>562</b>	<b>135.7 m</b>	<b>1,949</b>	<b>60 m</b>	<b>2,511</b>	<b>195.7 m</b>

## Next Steps

Given the very tight turnaround times being requested by the Province, the City needs to move quickly in order to ensure full advantage is taken of the funding opportunities presented. Therefore, it is recommended that the General Manager, Shelter, Support and Housing Administration, report directly to the next meeting of Council regarding any new information received about program guidelines, project approvals, budget implications, and further funding opportunities.

In the event that additional information regarding subsequent phases of funding is not available prior to the next meeting of Council, and the Ministry of Municipal Affairs and Housing makes further social housing renovation and retrofit funding available prior to the next Council cycle in September 2009, it is recommended that the City Manager, in consultation with the General Manager, Shelter, Support and Housing Administration be authorized to submit additional projects on behalf of City Council, accept additional federal/provincial funding and allocate funding to non-profit and cooperative housing providers, and enter into any necessary agreements.

## Conclusions

The federal/provincial Social Housing Renovation and Retrofit Program is a welcome announcement for one-time funding to address part of the outstanding capital repairs in social housing communities. However, the announcement of one-time funding does not go far enough to address previous Council requests for long-term, fully-funded national and provincial housing strategies. The provincial government has indicated it intends to begin consultations for development of a ten year provincial affordable housing strategy in the coming months.

## **CONTACT**

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## **SIGNATURE**

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Phil Brown  
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## **ATTACHMENTS**

Appendix A: Federal/Provincial Projects Submitted to the Province

Appendix B: Provincial Unilateral Projects Submitted to the Province