



STAFF REPORT ACTION REQUIRED

Budget Adjustments – Social Infrastructure Fund

Date:	November 10, 2016
To:	Budget Committee Executive Committee
From:	General Manager, Shelter, Support and Housing Administration Director, Affordable Housing Office
Wards:	All
Reference Number:	

SUMMARY

The City of Toronto has been allocated \$154.3 million through the new *Social Infrastructure Fund* (SIF) program for 2016 and 2017.

The SIF includes two main program components: The *Social Housing Improvement Program* (SHIP) to improve and preserve the quality of housing, and increased funding for the *Investment in Affordable Housing* program (SIF IAH).

The purpose of this report is to ensure capacity within Shelter, Support and Housing Administration (SSHA) and the Affordable Housing Office (AHO) to fully deliver the additional federal-provincial funding allocated to the City under the new Social Infrastructure Fund by adding 13 full-time temporary staff for a 2-year period ending in 2018, fully funded by the SIF administrative allocation, and by making other adjustments to facilitate SSHA's program delivery. Staffing requirements for any residual work in 2019 and beyond will be revisited through the City's annual budget process.

This report seeks City Council authority to adjust the 2016 Approved Operating budgets of Shelter, Support and Housing Administration's (SSHA) and the Affordable Housing Office (AHO). The adjustments for SSHA will include funding for administration (i.e., salary and benefits) and grants, while those for AHO will include administration only, as AHO grants funding will be adjusted through different processes. The adjustments will increase the Program's Operating Budgets by:

- SSHA of \$7,331,846 gross, \$0 net for 2016, \$66,177,301 gross, \$0 net for 2017, and \$1,151,559 gross, \$0 net for 2018, with future year staffing requests subject to Council approval through the annual budget process; and
- AHO of \$42,000 gross, \$0 net for 2016, \$500,000 gross, \$0 net for 2017 and \$500,000 gross, \$0 net for 2018, with future year staffing requests subject to Council approval through the annual budget process.

These budget adjustments will allow SSHA and the AHO to complete upfront work required to commit, spend, and report on the funds received by the deadlines set by the federal and provincial governments. Any future commitments beyond 2018 will be subject to Council approval through the annual budget process.

RECOMMENDATIONS

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

1. City Council authorize an increase to the City Operating Budget for Shelter, Support and Housing Administration of \$7,331,846 gross, \$0 net for 2016, with a future year impact of \$66,177,301 gross, \$0 net for 2017 and \$1,151,559 gross, \$0 net for 2018, based on the funding allocation from the Ministry of Housing Social Infrastructure Fund, with future year staffing requests subject to Council approval through the annual budget process;
2. City Council authorize an increase to the City Operating Budget for the Affordable Housing Office of \$42,000 gross, \$0 net for 2016, with a future year impact of \$500,000 gross, \$0 net for 2017 and \$500,000 gross, \$0 net for 2018, based on the funding allocation from the Ministry of Housing, Social Infrastructure Fund, with future year staffing requests subject to Council approval through the annual budget process;
3. City Council authorize the General Manager, Shelter, Support and Housing Administration to utilize funds to allocate IAH Rent Supplements, in the amount of \$21,600 for 2016, \$129,600 for 2017, and \$810,000 for 2018 to 2024;
4. City Council authorize the General Manager, Shelter, Support and Housing Administration to utilize funds for SHIP project capital costs, in the amount of \$7,225,083 for 2016 and \$65,025,742 for 2017;
5. City Council authorize the General Manager, Shelter, Support and Housing Administration, to utilize administrative funds to hire nine (9) full-time temporary staff, for the amount of \$85,163 for 2016, \$1,021,959 for 2017 and \$1,021,959 gross for 2018, to administer and deliver the housing allowance and rent supplement operating components, with future year requests subject to Council approval through the annual budget process; and

6. City Council authorize the Director of the Affordable Housing Office, to utilize administrative funds to hire four (4) full-time temporary staff, to administer and deliver the Social Infrastructure Fund and other related programs, in the amount of \$42,000 for 2016, \$500,000 for 2017 and \$500,000 for 2018, with future year requests subject to Council approval through the annual budget process.

Financial Impact

SSHA's approved 2016 Operating Budget will be increased by \$7,331,846 gross, \$0 net for 2016, with a future year impact of \$66,177,301 gross, \$0 net for 2017 and \$1,151,559 gross, \$0 net for 2018, with future year requests subject to Council approval through the annual budget process.

The AHO's approved 2016 Operating Budget will be increased by \$42,000 gross, \$0 net for 2016, and a future year outlook of \$500,000 gross, \$0 net for 2017 and \$500,000 gross, \$0 net for 2018, with future year requests subject to Council approval through the annual budget process.

Under the criteria set by the federal-provincial government, 5% of the allocated funds or \$7,712,575 can be used to administer this program, divided 52% and 48% respectively between SSHA and the AHO. The administrative component will be used to fund salaries and benefits for a total of 13 positions through to 2018. Staff requirements for 2019 and beyond will be revisited as part of the 2019 and future year budget processes.

SSHA positions:

- two Agency Review Officers
- one Business Analyst
- one Housing Benefit Consultant
- two Program Coordinators
- one Project Manager
- one Research Analyst
- one Support Assistant B

AHO positions (or similar positions):

- one Financial Planning Analyst (to provide financial planning, program delivery and budget expertise)
- one Housing Development Officer
- one Policy Development Officer
- one Support Assistant B

Table 1 – Toronto Social Infrastructure Fund Program Funding Usage

	2016 (\$)	2017 (\$)	2018 (\$)	2019 to 2024 (\$)	Gross HA Shared Delivery \$	Total (\$)
Salaries and Benefits SSHA	85,163	1,021,959	1,021,959	3,233,336		5,362,417
Salaries and Benefits AHO	42,000	500,000	500,000	1,308,157		2,350,157
Subtotal	127,163	1,521,959	1,521,959	4,541,493		7,712,574
Grants to Providers SSHA **						
Grants to Providers SSHA **	7,246,683	65,155,342	129,600	15,178,444		87,710,069
Housing Allowances Shared Delivery *					14,175,866	14,175,866
Grants to Providers/ Clients AHO ***		4,500,000	14,560,952	25,592,038		44,652,990
Subtotal	7,246,683	69,655,342	14,690,552	40,770,482	14,175,866	146,538,925
Total Gross SSHA						
Total Gross SSHA	7,331,846	66,177,301	1,151,559	18,411,780		93,072,487
Total Gross HA Shared Delivery						
Total Gross HA Shared Delivery					14,175,866	14,175,866
Total Gross AHO						
Total Gross AHO	42,000	5,000,000	15,060,952	26,900,195		47,003,147
Grand Total						
Grand Total	7,373,846	71,177,301	16,212,511	45,311,975	14,175,866	154,251,500

* Housing Allowance Program payments are administered by the Ministry of Finance (MOF) (Shared Delivery) for the period 2016-2019. Funds flow directly to the Ministry of Finance from the Ministry of Housing. This amount is not a budget adjustment item.

** The City will undertake the Direct Delivery Housing Allowance program beginning in 2020 until 2024. The allocation for these Direct Delivery Housing Allowances is included in the \$15.2 million 2019 to 2024 Grants to Providers SSHA column and the Total Gross for SSHA of \$18.4 million in the 2019 to 2024 column.

*** AHO Grants to Providers/Clients is also not included as a budget adjustment item in this report, as this amount is budgeted through different processes.

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

Equity Impact

Affordable housing, social housing and homelessness services respond to the needs of the most vulnerable Torontonians. SIF funding assists many of the City's priority groups, including seniors, people with disabilities, women fleeing domestic abuse and low-income individuals and families. These goals are outlined in the City's 10-year affordable housing action plan, *Housing Opportunities Toronto*, and will be used by SSHA and AHO to measure program outcomes.

DECISION HISTORY

At its meeting of July 12, 13, 14 and 15, City Council approved the participation of SSHA and the Affordable Housing Office in the federal-provincial Ministry of Housing *Social Infrastructure Fund (SIF)* program, in which the City would receive \$154.3 million in funding form to invest in affordable and social housing, including infrastructure, over the next 10 years.

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

ISSUE BACKGROUND

The *Social Infrastructure Fund (SIF)* is an important component of federal and provincial infrastructure investments intended to preserve and improve existing social and affordable housing, and create new housing opportunities, including new affordable rental construction and supports for rental housing and affordable homeownership assistance. The Province confirmed Toronto's funding in a letter to the Mayor on June 21, 2016, allocating \$154.3 million. The SIF program includes two major program components:

- The *Social Housing Improvement Program (SHIP)* to improve existing social housing through a range of projects, such as replacing major building components and systems, improving building safety and accessibility, and improving energy efficiency; and
- The *Investment in Affordable Housing Program (SIF IAH)* to provide funding for new affordable rental opportunities through new construction, including a seniors component, and housing allowances/rent supplements; down payment assistance to lower-income renters to make home ownership affordable; and essential health, safety, accessibility and energy efficiency repairs and modifications to enable seniors and persons with disabilities to remain in their homes and live independently. The SIF IAH has four program components:
 1. Housing Allowances/Rent Supplements
 2. New Rental Housing
 3. Toronto Renovates
 4. Homeownership

- As per an existing agreement with the Ministry of Finance (MOF), Toronto's Housing Allowance payments will continue to be administered through MOF's Shared Delivery Model.

Toronto's SIF allocation is illustrated in the following table:

Table 2 – Toronto Social Infrastructure Fund Program Allocations

<i>Social Infrastructure Fund Program</i>	2016/17 (\$)	2017/18 (\$)
<i>Social Housing Improvement Program (SHIP)</i>	76,053,500	-
<i>Investment in Affordable Housing Program (SIF IAH)</i>	36,291,900	23,698,200
Seniors New Construction and Renovation	9,098,000	9,109,900
Totals	121,443,400	32,808,100
	154,251,500	

Effective Delivery and Maximization of Resources

SIF funding will enable the City to support a number of programs expected to benefit some 10,355 households, by:

- Performing social housing repairs which will impact 8,500 units;
- Providing over 1,005 new Housing Allowances and 27 Rent Supplements;
- Creating 166 new affordable rental homes, including seniors;
- Providing 226 down payment assistance loans under the affordable home ownership component; and,
- Assisting 458 homeowner/rooming house residents with essential health, safety, accessibility & energy efficiency repairs/modifications.

To ensure effective delivery and to maximize the impact of this funding, temporary full-time staff will be hired to deliver these programs. The large scale of these programs will create pressure on existing staff resources and jeopardize the successful delivery of the new funding allocated to the City by the federal and provincial governments.

It is recommended that temporary full time staff positions be added to cover program and administrative needs of SSHA and AHO to deliver the SIF, fully funded by the administrative allocation under the SIF. In addition to the delivery of the SIF programs, SIF staff will enhance the coordination and delivery of other complementary and related programs, such as other Rent Supplements, Housing Allowances and the City's Open Door Program.

COMMENTS

SIF funding is a crucial component of federal and provincial investment in Toronto's infrastructure, providing an important investment in Toronto and much-needed funding to preserve and expand affordable and social housing opportunities for Torontonians.

This timely funding will ensure the City's capacity to fully deliver programs under the new Social Infrastructure Fund to support increased housing options and improvement of existing stock through new Housing Allowances and Rent Supplements, construction of new affordable rental homes, affordable home ownership assistance and Toronto Renovates.

These budget adjustments will allow for SSHA and the AHO to complete upfront work to commit, spend, and report on the funds received by the deadlines set by the federal and provincial governments. Any future commitments beyond 2018 will be subject to Council approval.

SSHA and AHO welcome the opportunity to utilize this funding to provide new services and strengthen existing City programs contributing to increased and improved affordable housing for all Toronto residents.

CONTACTS

Maria Varlokostas
Acting Director, Social Housing
Shelter, Support and Housing
Administration
Phone: 416-338-8224
Fax: 416-696-3718
Email: mvarlok@toronto.ca

Erik Hunter
Manager, Housing Policy & Partnerships
Affordable Housing Office
Phone: 416-397-4251
Fax: 416-392-4219
Email: ehunter@toronto.ca

SIGNATURE

Rob Cressman
Acting General Manager
Shelter, Support and Housing
Administration

Sean Gadon
Director
Affordable Housing Office