



STAFF REPORT ACTION REQUIRED

Feasibility of Using Toronto Renovates Funds to Replace Residential Private-Side Lead Water Service Pipes

Date:	June 6, 2016
To:	Public Works and Infrastructure Committee
From:	Director, Affordable Housing Office
Wards:	All Wards
Reference Number:	AFS - #22520

SUMMARY

This report fulfills City Council's November 3 and 4, 2015 request for the Director, Affordable Housing Office, in consultation with other appropriate City staff, to report back to the Public Works and Infrastructure Committee in early 2016, on the feasibility of using *Toronto Renovates* funds for the replacement of residential private-side lead water pipes, as an essential repair to bring a home up to acceptable health and safety standards.

The Affordable Housing Office will continue to consider residential private-side lead water pipe replacement as part of the *Toronto Renovates* home repair program, on a case by case basis. This would be subject to an individual homeowner's eligibility for *Toronto Renovates* and the specific repairs/modifications submitted for funding approval, recognising that the scope of repair and modification work is determined at the homeowner's discretion.

RECOMMENDATIONS

The Director, Affordable Housing Office, recommends that:

1. This report be received for information.

Financial Impact

There are no financial implications resulting from the adoption of this report.

Impact

Toronto Renovates provides federal/provincial funding for essential health, safety and accessibility repairs and modifications to assist low-income seniors and persons with disabilities. It aims to assist seniors to "age in place" and persons with disabilities to remain in their homes and live independently, in accordance with the initiatives of the City's Housing Opportunities Toronto 10-year Action Plan [City Action No. 53(a)].

DECISION HISTORY

City Council on November 3 and 4, 2015 adopted item PW7.20 *Loan Program for Replacement of Residential Private-Side Lead Water Pipes*, as amended, and in doing so, directed the Director of Affordable Housing Office, in consultation with other appropriate City staff, to report back to the Public Works and Infrastructure Committee in the first quarter of 2016, on the feasibility of *Toronto Renovates* funds to be used for replacement of private lead water pipes. This Council decision can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.PW7.20>

City Council on August 25, 2014 adopted item PW33.16 *Feasibility of Introducing a Residential Private-Side Lead Water Service Connection Replacement Funding Program*, and directed the General Manager, Toronto Water, and the Deputy City Manager & Chief Financial Officer to develop a self-funded loan program for property owners wishing to replace lead water service connections situated on their properties, and to report back by the second quarter of 2015 on the details of such program. This Council decision can be viewed at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.PW33.16>

City Council on June 10, 2014 adopted item MM52.4 *Lead in Drinking Water Mitigation Strategy* and in doing so, amongst other things, directed the General Manager, Toronto Water and the Deputy City Manager & Chief Financial Officer to submit a report on the feasibility of developing a Lead Service Replacement Loan program with installments paid through water bills or property taxes based on a model similar to the Home Energy Loan Program (HELP). This Council decision can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.MM52.4>

Public Works and Infrastructure Committee had in the past considered the feasibility of a loan program for the replacement of private-side lead water service connections in 2007 and 2010. In both instances, a loan program was not established at that time for various practical, administrative and policy reasons. The related 2007 and 2009 staff reports can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.PW30.1>
<http://www.toronto.ca/legdocs/mmis/2007/pw/bgrd/backgroundfile-8875.pdf>

ISSUE BACKGROUND

Lead Water Pipes

Lead pipes were commonly used for water service connections in older homes built before the mid-1950s. As these pipes corrode or break down, they can cause lead concentrations in drinking water to increase and this may affect the health of residents, notably infants, children under six years old and pregnant women.

To reduce the risk of health impacts, homeowners are encouraged to replace the private side portion of the lead water service connections in conjunction with Toronto Water's effort to replace the City's portion. Toronto Water and Toronto Public Health support the goal of reducing lead exposure by encouraging the complete replacement of lead service connections.

In 2015, it was estimated that approximately 34,000 residential properties in Toronto still have private-side lead water service pipes. According to the information collected by the City from its Priority Lead Water Service Replacement Program, on an annual basis, approximately 1,500 residential property owners replace their lead pipes with copper piping.

It costs approximately \$3,000 for a licensed plumber to replace lead water pipes. Concerns have been raised that this cost can make lead pipe replacement prohibitive for lower-income homeowners.

Toronto Renovates

Toronto Renovates is a program administered by the Affordable Housing Office, with funding provided under the federal/provincial *Investment in Affordable Housing (IAH) Program Extension* program similar to the expired federal *Residential Rehabilitation Assistance Program (RRAP)*. Between the years 2014 to 2020, \$20.59 million has been set aside to fund *Toronto Renovates* Homeowners and Rooming House projects.

The *Toronto Renovates* Homeowners Program is designed to help low income seniors and persons with disabilities to stay in their own residences by bringing these homes up to health, safety and accessibility standards with funding provided to make the necessary repairs and accessibility modifications.

Funding approval is based on eligibility criteria, availability of funds and program rules designed in accordance with the terms and conditions of the Province's guidelines, subject to standard assessment procedures and site inspections.

A maximum funding amount of \$15,000 in the form of a 10-year forgivable loan (which may include a maximum grant of \$5,000 for accessibility modifications) may be offered on a first come first serve basis to homeowners who are seniors or persons with disabilities whose household income is within the limits according to the size of the household (see

Attachment 1 - *Toronto Renovates* Household Income Limits). Additionally, by provincial guidelines, the current maximum value of the home must be no more than \$693,524 based on the MPAC assessment and it must be the sole and principal residence of the homeowner.

The typical repairs and modifications which are eligible under the program include replacement of deteriorated roofing, unsafe electric wiring, red-tagged furnace, repair/replacement of leaking plumbing, installation of smoke alarms, leaking windows and doors, installation of ramps, chair lifts, roll-in showers, grab bars, guardrails and other essential health, safety and accessibility items.

Based on the current federal and provincial funding provisions and staffing, the Affordable Housing Office is able to process some 200 applications a year.

COMMENTS

Lead pipe replacement is considered eligible under *Toronto Renovates*. Experience shows, however, that recipients more often direct the limited funding available to what they consider more urgent items. These include replacing broken furnaces, unsafe wiring or leaking roofs, or installing chair-lifts, ramps and roll-in showers to facilitate wheelchair access.

It is unknown how many of the residents, within the 34,000 residential properties with private lead pipes, are seniors or persons with disabilities, and having a low household income that would be eligible for *Toronto Renovates*.

In addition, since the majority of these properties are located close to the downtown core (Attachment 2), many would be expected to exceed the maximum property value allowed under *Toronto Renovates*.

Based on the heavy demand of *Toronto Renovates* funding, it would be appropriate for the Affordable Housing Office to continue to consider using program funding for lead pipe replacement on a case by case basis, recognizing that the program has limited funds and staffing, and is designed to address the full range of essential health and safety repairs as well as accessibility modifications. Also, it should be noted that the scope of repair and modification work is determined at the homeowner's discretion.

In preparing this report, the Affordable Housing Office has consulted with Toronto Water and Toronto Public Health, taking into consideration the provisions under the Province's program guidelines.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Toronto Renovates Household Income Limits
Attachment 2: Buildings in Toronto Which May Be Constructed with Lead Pipes

PW14.12 - Attachment 1

Attachment 1

Toronto Renovates Household Income Limits (as of January 28, 2016):

Size of Household	Single Person	Two Individuals	Three Individuals	Four or More Individuals
Household Income Limit	\$39,511	\$50,800	\$71,120	\$88,900

PW14.12 - Attachment 2

Attachment 2

Buildings in Toronto Which May Be Constructed with Lead Pipes

