

Toronto Social Infrastructure Fund Investments - Progress & Anticipated Outcomes

Date: September 5, 2017
To: Affordable Housing Committee
From: Director, Affordable Housing Office and General Manager,
Shelter, Support & Housing Administration
Wards: All

SUMMARY

This report provides details of progress and anticipated outcomes to be achieved under the federal-provincial Social Infrastructure Fund (SIF) 2016-2017. Toronto's allocation under the SIF is \$154.3 million over two years which is expected to help some 12,737 Toronto households. The SIF is delivered by the Shelter, Support & Housing Administration (SSHA) Division and the Affordable Housing Office (AHO) alongside other affordable housing programs including those for social housing repair.

Based on the strategic priorities and targets established in *Housing Opportunities Toronto (HOT) 2010-2020*, the City's 10-year housing plan, SIF investments are distributed under the following program components:

- The Social Housing Improvement Program (SHIP) to improve and preserve the quality of social housing - \$72.3 million to undertake significant capital repairs on approximately 90 buildings; benefiting approximately 11,000 lower-income households.
- Expanding the Investment in Affordable Housing (IAH) program - \$56.9 million for:
 - Housing allowances/rent supplements to some 1,059 lower-income tenants to help pay their rents;
 - Construction of some 127 new affordable rental homes and some 252 ownership homes; and
 - Assisting some 25 lower-income seniors and persons with disabilities with health, safety, accessibility and energy efficiency repairs and modifications under Toronto Renovates.
- Construction and renovation of affordable housing for seniors - \$17.3 million for some 274 lower-income seniors.
- \$7.7 million to cover the cost of administration (5% of \$154.3 million).

At its meeting July 12, 2016, Council authorized SSHA and the AHO to deliver the Social Infrastructure Fund 2016-2017 and directed staff to report to the Affordable Housing Committee in 2017 on progress and outcomes achieved. This report has no financial impacts and recommends that the Affordable Housing Committee receive it for information.

RECOMMENDATIONS

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

1. The Affordable Housing Committee receive this report for information.

FINANCIAL IMPACT

At its meeting July 12, 2016, Council approved the report *Request for Investment in Affordable Housing Program Delivery* (EX16.50), authorizing Shelter, Support & Housing Administration and the Affordable Housing Office to allocate \$154.3 million in funding under the Social Infrastructure Fund 2016 & 2017. These investments were distributed as follows:

- \$72.3 million for the Social Housing Improvement Program (SHIP) to improve and preserve the quality of social housing.
- A \$56.9 million increase to the existing Investment in Affordable Housing (IAH) program for housing allowances/rent supplements to households in need of rental assistance; the construction of new affordable rental and ownership homes; Toronto Renovates to provide funding for essential health, safety, accessibility and energy efficiency repairs and modifications.
- \$17.3 million for the construction and renovation of affordable housing for seniors
- \$7.7 million to cover the cost of administration (5% of \$154.3 million).

All SIF funding outlined in this report will be fully allocated by provincial deadlines. By program component, 90% of TO Renovates funding will be committed by December 31, 2017 and 10% will be committed by March 31, 2018. Funding for the remaining components has already been committed (Social Housing Improvement Program, housing allowances, new affordable rental and ownership homes), with one tentative commitment for affordable rental which will be finalized before the provincial deadline of December 31st, 2017.

Since no new Council approvals are required for the City to fully deliver the City's \$154.3 million under the Social Infrastructure Fund 2016-2017, this report has no financial impact.

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, women fleeing domestic abuse and low-income individuals and families. Housing allowances/rent supplements, 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 Planning Framework*. SSHA and the AHO will continue to measure the results of these initiatives including equity related outcomes.

DECISION HISTORY

At its meeting of April 26, 27 and 28, 2017, City Council adopted CD19.7 which provided project details and funding allocations for funding allocated to the City of Toronto through the Social Housing Improvement Program (SHIP), a component of the federal-provincial Social Infrastructure Fund (SIF) and Social Housing Apartment Retrofit Program (SHARP), a component of the Province of Ontario's Green Investment Fund.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD19.7>

At its meeting of July 12, 2016, City Council approved EX16.50 which authorized the participation of SSHA and the AHO in the federal-provincial Ministry of Housing Social Infrastructure Fund (SIF) program, from which the City would receive \$154.3 million in funding to invest in affordable and social housing.

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

At its meeting of June 10, 11, 12 and 13, 2014, City Council approved 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. \$197million 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 December 16, 2013, City Council approved CD25.10 2014-2019 Housing Stability Service Planning Framework which guides Shelter, Support and Housing Administration and its partners in the planning, management, and delivery of housing and homelessness services over five years. The Framework identifies creating more housing opportunities as a key strategy in moving towards an integrated service system that improves housing stability for residents.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD25.10>

At its meeting of February 6 and 7, 2012, City Council approved 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, construction of new rental housing and affordable home ownership loans.

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

The Housing Opportunities Toronto Affordable Housing Action Plan 2010-2020 was approved by City Council at its meeting of August 5, 2009. The HOT plan, which establishes the City's strategic priorities and targets, requests that the federal and provincial governments implement a fully funded long-term affordable housing plan consistent with the City's 10 year Action Plan.

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

ISSUE BACKGROUND

The federal-provincial Social Infrastructure Fund (SIF) 2016-2017 provides investments for affordable and social housing at a number of points along the housing spectrum, from housing allowances/rent supplements to help lower-income tenants pay their rents and remain stably housed, to the construction of new affordable rental homes, to the repair of social housing. The SIF was approved by the federal and provincial governments in 2015 and 2016. Toronto's allocation under the program for 2016-2017 is \$154.3 million. In August 2017, the Province announced an increase in Toronto's SIF-IAH funding of \$19.4 million for 2018-19, with details to follow.

The SIF is part of a longer-term plan in Canada and Ontario for affordable housing priorities and programs. The federal 2016 budget announced a commitment to a national housing strategy, with \$11.2 billion in funding committed in the 2017 federal budget over 11 years to 2028. Ontario has established a Long-Term Affordable Housing Strategy, including initiatives such as the Home for Good supportive housing program and the Social Housing Apartment Retrofit Program (SHARP).

A report providing greater detail on the social housing repair programs such as the Social Housing Improvement Program (SHIP) and the Social Housing Apartment Retrofit Program (SHARP) was approved by Council on April 26, 2017 (CD19.7).

The City of Toronto has recommitted its support for new affordable housing with the Open Door Program, approved in 2016, intended to accelerate affordable housing construction by providing City investments including capital funding and fees and property tax relief, fast-tracking planning approvals, and activating surplus public land. In February 2017, the City released the first Call for Applications under the Open Door Program to create more affordable rental housing across Toronto. The Affordable Housing Office will be providing a 2016 annual Open Door report and a report on the results of the Open Door Call for Applications later this year.

The SIF supports the City's Affordable Housing Action Plan *Housing Opportunities Toronto*, the *Housing Stability Service Planning Framework*, as well as the City's *Poverty Reduction* and *Seniors* strategies.

COMMENTS

This report provides details of progress and anticipated outcomes to be achieved under the City's allocation of \$154.3 million from the Social Infrastructure Fund (SIF) 2016-2017, as directed by Council at its meeting July 12, 2016 in the report *Request for Investment in Affordable Housing Program Delivery* (EX16.50).

These investments, complemented by City initiatives such as the Open Door Program, are expected to help some 12,737 Toronto households, as summarized below and in Table 1 in Appendix A.

- Repairing and providing energy and water retrofits to existing social housing, benefitting some 11,000 lower-income tenants
- Assisting some 1,059 lower-income tenants with housing allowances/rent supplements to help pay their rents
- Creating some 196 new affordable rental homes, of which 69 will be for low-income seniors
- Providing down payment assistance to some 252 lower-income renter households to purchase affordable homes
- Assisting some 230 lower-income seniors and persons with disabilities with essential health, safety, accessibility and energy efficiency repairs and modifications through the Toronto Renovates program.

Under the SIF 2016-2017 program guidelines, all funds allocated to the City must be committed by March 31, 2018, through the following program components:

1. Social Housing Improvement Program (SHIP)

Allocation: \$72.3 million in capital funds delivered by SSHA for the renovation and retrofit of existing social housing stock including Toronto Community Housing (TCHC) and non-profit and co-operative housing providers within SSHA's portfolio. Funding was allocated among TCHC and Non-Profits/Co-operatives reflecting the proportion of housing units within each portfolio; roughly 2/3 TCHC (\$48.2 million) and 1/3 to Non-Profits/Co-operatives (\$24.1 million).

The objective of the program is to assist in addressing critical repairs, improve health and safety conditions for residents and reduce energy and water consumption that will extend the long term sustainability of social housing.

As per program guidelines, all approved projects achieved project start as of March 31, 2017. To date, there are 90 buildings currently undertaking these critical repairs.

2. Investment in Affordable Housing Program (SIF IAH)

Total Allocation: \$57.0 million increase to the existing Investment in Affordable Housing (IAH) program, of which 52% in operating funds is delivered by SSHA and 48% in capital funds is delivered by the AHO drawing from Housing Opportunities Toronto

2010-2020 (HOT) priorities and targets, distributed as outlined below under the following program components:

a) *Housing Allowances/Rent Supplements Allocation:*

\$29.6 million in operating funds is delivered by SSHA to help lower-income tenant households bridge the difference between the rent they can afford to pay and the actual market rent. Housing Allowances can be paid to the landlord, or directly to tenants, and can be in-situ and/or portable.

b) *New Rental Housing Allocation:*

\$18.9 million in capital funds delivered by the AHO for new rental construction, acquisition and conversion projects, up to \$150,000 per unit.

To be eligible for funding, rents must be at or below 80% of the average market rent for the City of Toronto for a minimum of 25 years including a 5-year phase-out, and tenant incomes must be no more than four times their rent. SIF investments will be complemented by the City's Open Door Program of incentives and an expedited Planning review process.

c) *Toronto Renovates Allocation:*

\$0.553 million in capital funds delivered by the AHO to fund essential health, safety, accessibility and energy efficiency repairs and modifications to benefit lower-income residents. This program benefits homeowners who are seniors and people with disabilities, and tenants of affordable rental apartment buildings and rooming houses.

d) *Homeownership Assistance Allocation:*

\$7.9 million in capital funding to provide renter households with an opportunity to move to homeownership by providing down-payment assistance loans. The loans help eligible low- and moderate-income purchasers move out of private and social rental housing, relieving pressure on the rental market while allowing new homeowners to build equity.

3. New Seniors Rental Housing and Seniors Housing Renovation

Allocation: \$17.3 million in capital funds for the construction and renovation of affordable housing for seniors, delivered by the AHO through the New Rental Housing and Toronto Renovates components of the SIF IAH.

In addition to the above, the City has allocated \$7.7 million for administration costs associated with delivering the SIF program, equivalent to 5% of the \$154.3 million.

The SIF also includes funding for the construction and renovation of shelters and transitional housing for survivors of domestic violence. This funding is being distributed directly to community agencies by the Ministry of Community and Social Services.

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APPENDIX A

Table 1: Social Infrastructure Fund Program Components and Allocations

Component/Division Responsible	Allocation for 2016-2017	Projected Households Assisted
<i>1. Social Housing Improvement Program (SHIP) (100% SSHA)</i>	\$72.251 M	11,000
<i>2. Investment in Affordable Housing Program (SIF-IAH) (52% SSHA, 48% AHO)</i>		
<i>a) Housing Allowances/Rent Supplements (SSHA)</i>	\$29.635 M	1,059
<i>b) New Rental Housing (AHO)</i>	\$18.900 M	127
<i>c) Toronto Renovates (AHO)</i>	\$0.553 M	25
<i>d) Homeownership Assistance (AHO)</i>	\$7.903 M	252
<i>3. Seniors New Construction and Renovation (New Rental Housing and Toronto Renovates) (100% AHO)</i>	\$17.298 M	274
SUB-TOTAL	\$146.539 M	12,737
Administration AHO	\$2.350 M	N/A
Administration SSHA	\$5.363 M	N/A
TOTAL	\$154.252 M	12,737