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## **2019 OPERATING BUDGET BRIEFING NOTE**

### **National Housing Strategy – Funding Requests and Commitments**

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#### **Issue:**

At the Budget Committee meeting held on February 6, 2019, City staff were requested to provide a Briefing Note identifying:

- a) A list of City funding requests submitted to the National Housing Strategy; and
- b) A list of all funding by year as a result of the National Housing Strategy.

#### **Key Messages:**

- On November 22, 2017 the federal government released “Canada’s National Housing Strategy: A Place to Call Home”. The primary goal of the National Housing Strategy (NHS) is to deliver \$40 billion over ten years through a range of program initiatives to make safe and affordable housing accessible for the most vulnerable Canadians struggling to make ends meet.
- The City of Toronto has high expectation that the federal government will unlock funding through the NHS for a number of key priorities and projects including:
  - Funding and financing for Toronto Community Housing capital repairs;
  - Funding and financing for new rental housing; and
  - Confirmation that the Canada-Ontario NHS Bi-Lateral Agreement will be activated.
- This briefing note provides a summary of the funding requests submitted to Canada Mortgage and Housing Corporation (CMHC) through the NHS. In addition, Appendix A outlines the federal funding that has already been received by the City of Toronto for housing and homeless programs for the period 2016 to 2019.

#### Toronto Community Housing Corporation (TCHC) Capital Repairs

- The City has submitted a ten-year portfolio-wide application to CMHC under the National Housing Co-investment Fund – Repair and Renewal Stream.
- The application requests \$1.34 billion through a combination of \$864 million in grant contributions, supplemented by an additional \$476 million in repayable loans over ten years for the repair and renewal of all 58,000 TCHC units.
- Through discussions with CMHC, City staff understand that the result of the application will be known shortly.

### Reinvestment of Expiring Federal Social Housing Funding

- The NHS Canada-Ontario Bi-lateral Agreement includes three years of funding starting in 2019/20 though the Canada Community Housing Initiative (CCHI) that represents the reinvestment of expiring federal funding for social housing to protect, regenerate and expand of Toronto's social housing stock.
- The implementation of CCHI requires the Province of Ontario to develop a three-year action plan. The Ministry of Municipal Affairs and Housing has invited representatives from the City, CMHC, AMO and other service managers to provide input on the three-year Action Plan.
- Expedited implementation of Ontario's three-year action plan (effective April 1, 2019) is needed to avoid Toronto's anticipated loss of \$8.6M in 2019, \$19.9M in 2020, and \$18.8M in 2021 in social housing funding – a cumulative three-year impact of \$84.4M.

### New Affordable Housing – Housing Now Initiative

- Through the Housing Now report adopted by Council at its meeting on January 30, 2019, eleven (11) City surplus sites will be leveraged for new affordable housing.
- The National Housing Co-investment Fund and the Rental Construction Financing Initiatives, administered by CMHC, are essential to the delivery of the Housing Now initiative.
- In late 2018 the Affordable Housing Office and CreateTO staff held discussions with CMHC officials on taking a portfolio approach to funding and financing to support 3,629 affordable rental units and 3,629 market rental housing units resulting from the Housing Now Initiative.
- Applications to CMHC will be made as business cases are developed for each of the 11 properties, and by proponents that are selected to develop the Housing Now sites.
- On January 30, 2019 City Council also directed staff to request the Federal Government, through CMHC, to extend the Rental Construction Financing Initiative beyond 2021 or introduce a similar program to ensure that approved developments through the Housing Now Initiative have access to favourable construction financing.

### New Affordable Housing – Open Door Projects

- There are three additional City approved Open Door developments awaiting a decision on accessing the Rental Construction Financing Initiative to support affordable and market rental housing. These are at Mirvish Village, Grenville/ Grosvenor and the West Don Lands (Blocks 8/20 and 3/4/7 West) and represent a total of about 2,956 rental units, including about 685 affordable rental units.
- Through discussions with CMHC, City staff understand that the result of these applications will be known shortly.

### Co-investment Fund Applications – Non-Profit Providers

- The Co-investment Fund is an application-based initiative. The City is aware of eight (8) non-profit organizations that have independently applied through either the New Construction or Repair and Renewal Stream.

- The City is supporting St. Hilda's Towers Inc. in its application for \$19 million under the repair and renewal stream to repair and modernize 301 units of affordable and social housing for seniors at 800 Vaughan Road and 2339 Dufferin Street.
- The City is aware of only one project to-date that has received funding. WoodGreen Community Services' project at 1117-1119 Gerrard Street is being developed and has received funding in the amount of \$2,811,231 through a combination of grants and loans.
- The City understands that CMHC is currently reviewing the balance of the applications.

**Background:**

- On November 22, 2017 the federal government released “Canada’s National Housing Strategy: A Place to Call Home”. The primary goal of the National Housing Strategy (NHS) is to make safe and affordable housing accessible for the most vulnerable Canadians struggling to make ends meet.
- The NHS calls for a 10-year investment of \$40 billion in a range of program initiatives, including providing the details of the \$11.2 billion to assist some 530,000 households in housing need and reduce chronic homelessness by 50% over the next 10 years.
- The NHS includes a number of components including the Co-investment Fund, which is a ten year application-based program directly delivered by CMHC with no regional allocations. The Fund includes two components:
  - Housing Construction stream of \$7.45 billion, and
  - Housing Repair and Rental stream of \$5.72 billion.
- In April 2018, Canada and Ontario signed a bi-lateral agreement through the National Housing Strategy which provides Ontario with funding allocations for 2019-2022 through the Ontario Housing Priorities Initiatives and the new Canada Community Housing Initiative.
- As the first step in the implementation of the bilateral agreement, the Ministry of Municipal Affairs and Housing was to develop a three-year Action Plan by December 31, 2018.
- The Ministry of Municipal Affairs and Housing has established a NHS Consultation Forum with representatives from the City of Toronto, CMHC, AMO and other service managers to provide input on the three-year Action Plan.

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## Appendix A

### Summary of Federal Housing and Homelessness Funding Received by the City of Toronto - 2016 to 2019

- The Federal Government has provided \$453 million as subsidy for the operation of social housing.

Year	Total Federal Funding Disbursed
2016	\$ 131,079,010
2017	\$ 116,785,325
2018	\$ 107,048,445
2019	\$ 98,405,651
Total	\$ 453,318,431

- Homelessness Partnering Strategy: \$17 million annually, which was increased in 2016 by \$5 million annually to \$22 million for a total of \$88 million over four years to address homelessness.
- Refugee shelter funding: \$15 million in 2019 and \$11 million in 2018 for a total of \$26 million to address the impact of shelter demand from refugees.
- Social Housing Improvement Program: \$76 million for the renovation and retrofit of social housing.
- Investment in Affordable Housing (IAH) Program, Federal contribution, over three years: \$59,153,250 to support new affordable rental housing construction, provide housing allowances, support seniors and persons with disabilities to fund necessary home repairs and modifications, and provide down payment assistance to first time home buyers.
  - 2016-17: \$19,742,000
  - 2017-18: \$19,729,850
  - 2018-19: \$19,681,400
- Increase to Social Infrastructure Funds - IAH, Federal contribution, over three years: \$48,780,550 to support affordability for tenants in social housing buildings with expiring operating agreements and/or federal subsidies, seniors, persons with disabilities including adults with developmental disabilities, Indigenous people, the chronically homeless, youth, preventing homelessness as individuals transition from institutions (such as hospitals, correctional facilities and the child welfare system) and projects that support transit corridor intensification and/or community hubs.
  - 2016-17: \$22,694,950
  - 2017-18: \$16,404,050
  - 2018-19: \$9,681,550