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TO:	CHAIR AND MEMBERS COMMUNITY SERVICES COMMITTEE MEETING ON April 2, 2012
FROM:	L. STEVENS DIRECTOR OF MUNICIPAL HOUSING COMMUNITY SERVICES DEPARTMENT
SUBJECT:	UPDATE PROGRAM DELIVERY AND FISCAL PLAN FOR INVESTMENT IN AFFORDABLE HOUSING PROGRAM

RECOMMENDATION

That, on the recommendation of the Director of Municipal Housing, with the concurrence of the Executive Director of Community Services, the following report updating the Affordable Housing Program Delivery and Fiscal Plan **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Council Housing Leadership Committee

- May 25, 2010 – London Community Housing Strategy Update
- February 8, 2011 – City of London Affordable Homeownership Program
- October 28, 2011 – Investment in Affordable (IAH) Housing for Ontario Approval of Program Delivery and Fiscal Plan

Community & Neighbourhoods Committee

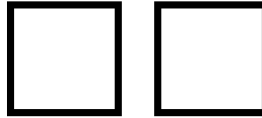
- October 18, 2011 – Investment in Affordable Housing for Ontario, Approval of Administration Agreement

BACKGROUND

The Investment in Affordable Housing (IAH) Program allocates funding within related eligibility criteria to designated municipal Service Managers in support of local priority affordable housing needs. The IAH allocation for the London Service Manager area is approximately \$13.6 million to March 31, 2015.

Local Service Manager plans related to IAH fund allocations, housing initiatives, and outcome targets must be provided to the Provincial Ministry of Municipal Affairs and Housing through a "Program Delivery and Fiscal Plan" (PDFP) as part of the IAH program.

Based on this, an initial PDFP was approved by Council December 2011 and submitted to the Province. The London PDFP was guided within the London Community Housing Strategy (LCHS) which independently established needs and priorities for affordable housing as well as other system, environmental, program, and funding recommendations.



Subsequent to this, considerations related to the PDFP were discussed as part of the 2012 Municipal Budget Approval process. These included suggested amendment to the allocation of targets within the fiscal plan.

This report establishes Council’s revised London’s PDFP which will be submitted to the Province and act as the guide to housing development.

These recommendations remain consistent with the priority needs and general approaches within London Community Housing Strategy (LCHS).

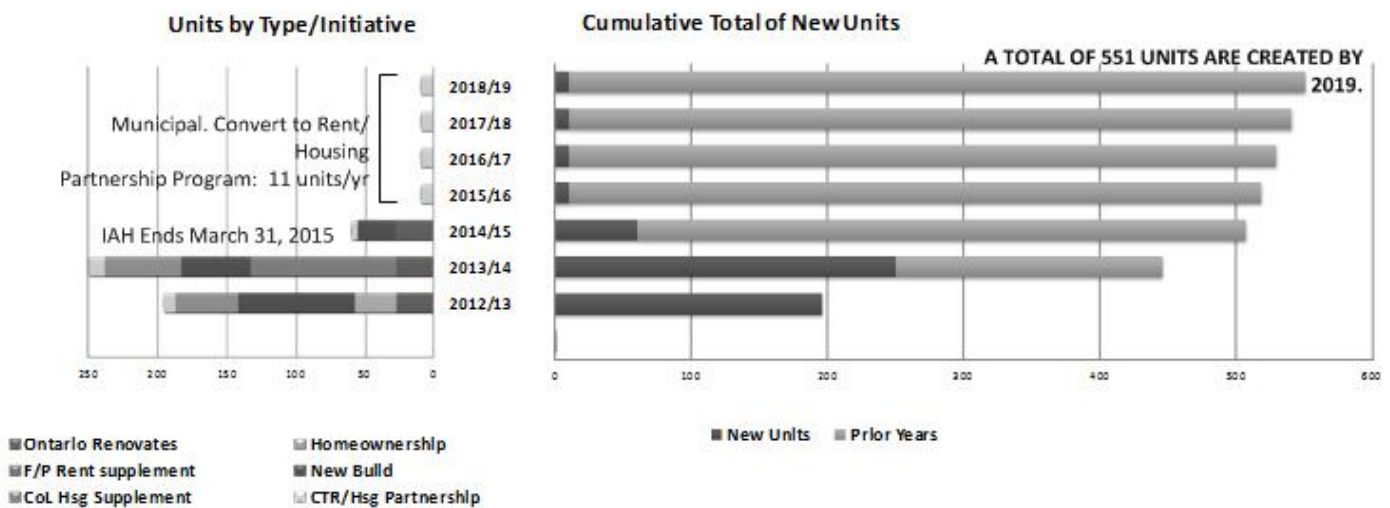
London Community Housing Strategy

The London Community Housing Strategy (LCHS) plan, approved by Municipal Council in June 2010, represents an integrated and comprehensive approach that calls for a continued investment and action from all orders of government and from other sectors. It builds on local successes and addresses local needs in the continuum from streets to home ownership. The LCHS recommends a mix of system design, program, political advocacy, service delivery, and administrative recommendations that combine with 1,200 proposed new housing units.

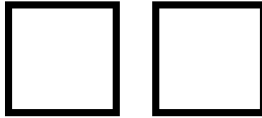
The intention of the LCHS is to establish a more integrated and strategic approach that enhances our community’s capacity to ensure all Londoners have a home. The LCHS also informs other community plans and services, noting that housing is integral to building healthy and sustainable communities.

Updated Program Delivery and Fiscal Plan (PDFP):

After examination of several program and funding options that remain consistent with the London Community Housing Strategy (LCHS), civic administration recommends the approval of the proposed spending plan under the Investment in Affordable Housing Program as per the following chart reflecting the creation of 551 affordable housing units through a mixed “tool box” approach:



Note:
 Ontario Renovates, New Build, Convert to Rent, Housing Partnership, and Home Ownership all create long term/permanent affordable units.
 City of London Housing Supplement and Fed/Provincial Rent Supplement create time limited (5 to 6 year) affordable units.



Breakdown of PDFP by Type of Units:

IAH or Municipal Component	Funding Recommended	Update / Policy / Program Change Required	New Units Created
Ontario Renovates	\$3,500 per unit	28 units per year + 1	85
Homeownership	Average \$11,600 per unit	LCHS target met	30
Federal/provincial Rent Supplement	Average \$200 per-unit	Booked in year 3; funding at \$252,000 per year for 5 years	105
New Rental - Federal/Provincial and Municipal Capital \$	Total capital subsidy from government up to \$115,000 per-unit	One time capital funding; Units affordable for 25 years	161
Municipal Housing Supplement to Landlords	Average \$200 per unit	Booked in year 2; \$240,000 per year for 6 years	100
Municipal Convert-to-Rent / Rehabilitation & Municipal Housing Partnership Policy	Maximum \$48,000 per unit Maximum \$24,000 per unit	Average 10 units per year Average 2 units per year	70
Total			551

This updated Program Delivery and Fiscal Plan (PDFP) includes a new Municipal Housing Supplement Program, to enhance our proposed “Housing First” approach. The PDFP also assumes a minimum \$1M per year for the Affordable Housing Reserve Fund (AHRF) is approved during the future budget years of the IAH (to March 31, 2015) and assumes a larger municipal contribution per unit to the IAH. The LCHS ends December 31, 2015.

FINANCIAL IMPACT

The financial impacts associated with the Affordable Housing Program are addressed through the municipal budget process. There are no financial impacts related to this report.

PREPARED BY:	CONCURRED BY:
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