



TO:	CHAIR AND MEMBERS COMMUNITY SERVICES COMMITTEE MEETING ON April 2, 2012
FROM:	L. STEVENS DIRECTOR OF MUNICIPAL HOUSING COMMUNITY SERVICES DEPARTMENT
SUBJECT:	PROPOSED NEW CONVERT-TO-RENT / REHABILITATION PROGRAM

RECOMMENDATION

That, on the recommendation of the Director of Municipal Housing, with the concurrence of the Executive Director of Community Services, the following changes to the Convert-to-Rent/Rehabilitation Program **BE APPROVED**:

1. Financial assistance be increased up to \$48,000 per unit, to a maximum of seven (7) units or a maximum \$336,000 per property, within the previously approved geographic areas in the City of London. Exceptions to these geographic areas will continue to be reviewed, on a case-by-case basis, for specific properties outside the program area that meet all other criteria.
2. The maximum funding allocated under this program be limited to \$520,000 per year.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Community and Protective Services Committee

November 25, 2002 – Affordable Housing \$2M Capital Reserve Fund Conditional Allocation
 March 29, 2004 – Convert-to-Rent Pilot Program and Old East village BIA

Council Housing Leadership Committee

March 7, 2006 – Convert-to-Rent Pilot Program Evaluation

BACKGROUND

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.



Current Convert-To-Rent / Rehabilitation Program

The City of London Convert-To-Rent/Rehabilitation (CTR/Rehab) Assistance Program, approved by Council in March 2006, provides financial assistance up to \$24,000 per unit, for properties with seven units or less (up to a maximum of \$250,000 per year):

1. to convert non-residential properties into affordable self-contained rental housing units;
2. for substantial rehabilitation of rental buildings that are vacant and uninhabitable.

Proponents have the potential to increase the total funding contribution by also applying for funding through the Canada Mortgage & Housing Corporation (CMHC) Residential Rehabilitation Assistance Program (RRAP) Conversion Program.

CMHC also offers a forgivable loan to a maximum of \$24,000 per unit. If the CMHC and City of London loans are combined a proponent could receive a maximum of \$48,000 per unit. A Municipal Contribution Agreement was created and approved by Council in 2003.

All work must be completed within 18 months of receiving notice of funding approval. The Convert-To-Rent Municipal Contribution Agreement with successful proponents must be registered on title.

Proposals Approved To-Date under Convert-to-Rent/ Rehabilitation Program

Under the Convert-to-Rent/Rehabilitation Assistance program, with the added assistance of the Canada Mortgage & Housing Corporation RRAP Program, fifty-two (52) units to-date were approved by the City of London:

- 225 Dundas Street, 5 apartment units
- 614 Dundas Street East, 2 apartment units
- 658 Dundas Street East, 2 apartment units
- 874 Dundas Street East, 2 apartment units
- 773 Dundas Street East, 1 apartment unit
- 610 Dundas Street East, 1 apartment unit
- 572 Dundas Street East, 10 apartment units
- 260 Clarence Street, 6 apartment units
- 343 Richmond Street, 16 apartment units
- 392 Richmond Street, 7 apartment units

Changes to CMHC RRAP Delivery

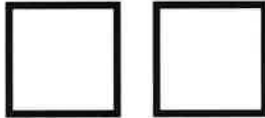
For more than 35 years, the Residential Rehabilitation Assistance Program (RRAP) has assisted homeowners to make health and safety repairs to their homes.

The program ends March 31, 2012 and a new program, known as Ontario Renovates, will be unveiled in 2013. For homeowners, this new program will provide limited funding assistance to seniors and disabled persons for health and safety repairs.

Proposed Changes to the City of London Convert-to-Rent / Rehabilitation Program

In the absence of the CMHC RRAP program, it is recommended that the City of London Convert-To-Rent/Rehabilitation (CTR/Rehab) Assistance Program financial assistance be increased up to \$48,000 per unit, for properties with seven units or less (up to a maximum of \$520,000 or ten units per year):

1. to convert non-residential properties into affordable self-contained rental housing units;
2. for substantial rehabilitation of rental buildings that are vacant and uninhabitable.





It is recommended that the geographic area continue to include specific areas in the City of London in the following order of priority:

- i) the Old East Village Business Improvement Area;
- ii) the Downtown Business Improvement Area;
- iii) the properties between these two areas (i and ii) fronting on Dundas Street;
- iv) the Hamilton Road Business Area; and
- v) the SoHo District Community Improvement Area.

Exceptions to these geographic areas will continue to be reviewed, on a case-by-case basis, for specific properties outside the program area that meet all other criteria.

FINANCIAL IMPACT

Funding for the delivery of the Convert-to-Rent/Rehabilitation Program is drawn from the Affordable Housing Reserve Fund.

PREPARED BY:	CONCURRED BY:
	
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