



TO:	CHAIR AND MEMBERS COMMUNITY SERVICES COMMITTEE MEETING ON JULY 17, 2012
FROM:	L. STEVENS DIRECTOR OF MUNICIPAL HOUSING COMMUNITY SERVICES DEPARTMENT
SUBJECT:	ONTARIO RENOVATES COMPONENT OF THE INVESTMENT IN AFFORDABLE HOUSING PROGRAM

RECOMMENDATION

That, on the recommendation of the Director of Municipal Housing, the following action **BE TAKEN** with respect to the Investment in Affordable Housing Program (IAH) Ontario Renovates component:

1. The local Ontario Renovates Home Adaptation Program, **BE APPROVED** as outlined in the following report, to provide up to \$3,500 per unit financial assistance to support modifications and adaptations to increase accessibility related to housing.

It being noted that the allocation for the Ontario Renovates Home Adaptation Program is in accordance with the Council-approved Program Delivery and Fiscal Plan and that there is sufficient federal/provincial funding for up to 28 units per year until the funding ends March 31, 2015.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Council Housing Leadership Committee

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

Community Services Committee

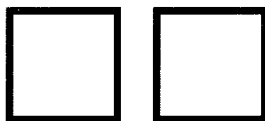
April 2, 2012 Update Program Delivery and Fiscal Plan for Investment in Affordable Housing Program

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 to be submitted to the Province. The London PDFP was guided within the London Community Housing Strategy and



Homelessness Plan 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. Council's revised London's PDFP was submitted to the Province and acts as the guide to housing development. These recommendations remain consistent with the priority needs and general approaches within the London Community Housing Strategy and the related Community Plan on Homelessness.

The IAH offers the following program components to Service Managers: Rental Housing; Homeownership; Rent Supplement; Housing Allowance and Ontario Renovates. Service Managers may select which components to deliver each year using the annual funding allocation.

London Community Housing Strategy and Community Plan on Homelessness:

The London Community Housing Strategy, 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 Housing Strategy 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 Housing Strategy and Homelessness Plan is to establish a more integrated and strategic approach that enhances our community's capacity to ensure all Londoners have a home. The strategy informs community plans and services, noting that housing is integral to building healthy and sustainable communities.

Program Delivery and Fiscal Plan (PDFP):

After examination of several program and funding options that remain consistent with the Housing Strategy and Homelessness Plan, civic administration recommended 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:

Breakdown of PDFP by Type of Units:

IAH or Municipal Component	Funding Recommended	Update / Policy / Program Change Required	New Units Created
Ontario Renovates Home Adaptation	\$3,500 per unit	28 units per year + 1	85
Homeownership	Average \$11,600 per unit	Housing Strategy target met	30
Federal/provincial Rent Supplement	Average \$200 per-unit	Booked in year 3; funding at \$252,000 per year for 5 yrs	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 (Landlord) Supplement	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



Ontario Renovates

Ontario Renovates allows Service Managers the flexibility to target renovation and rehabilitation projects to address local needs in affordable ownership and rental properties. Some of the objectives of this component include: improving the living condition of households in need through financial assistance to repair deficiencies; fostering independent living of seniors and persons with disabilities by providing financial assistance to support modifications and adaptations to increase accessibility of affordable rental and ownership properties.

It should be noted that as at March 31, 2012, the Canada Mortgage & Housing Corporation (CMHC) ceased to deliver the Residential Rehabilitation Assistance Program (RRAP) that it has delivered for the past 30 years. Delivery of any renovation program has been downloaded to Service Manager municipalities through Ontario Renovates.

It should also be noted that the Ontario Renovates component **ends on March 31, 2015** and there is no indication of further renovation funding from the federal or provincial governments. That may result in a push for the municipality to continue with some sort of similar municipally funded renovation program when Ontario Renovates expires.

The City of London PDFP allows for funding for accessibility repairs, up to \$3,500 per-unit, in the form of a grant and does not require repayment. Our per-unit funding for Convert-to-Rent was increased from \$24,000 to \$48,000 per unit to reflect the former CMHC RRAP funding utilized in that particular program.

Changes in Ontario Works Funding

The 2012 Ontario Budget was announced on March 27, 2012. The budget proposes changes that will affect individuals receiving benefits from Ontario Works (OW), the Ontario Disability Support Program (ODSP), for people who are homeless, for families with children, and for seniors. What follows is one of the potential implications based on information available at the time of preparing this report.

Home Repair Benefit Cancelled

The social assistance Home Repair Benefit will end as of January 1, 2013. Home repairs are provided as a mandatory benefit through ODSP and as a discretionary benefit through OW where no other funding is available to cover the cost for homeowners where:

- The recipient could be forced to vacate the home if these repairs are not done;
- There is a risk to the health or well-being of a member of the household; and/or
- Extensive damage will result to the home if the repairs are not undertaken immediately.

Termination of the Home Repair Benefit may increase the demand for the new Ontario Renovates Program funded as part of the federal/provincial Investment in Affordable Housing Program. Our local Ontario Renovates program and targets may have to be revisited for year 3 or year 4. Loss of the Home Repair Benefit may also increase pressures on homelessness prevention funding as this benefit prevented families from having to leave their homes due to unsafe housing.

Ontario Renovates Home Adaptation Program Component Details

Eligibility

Under the provincial Ontario Renovates Home Repair subcomponent, eligible households must:

1. Have a household income at or below the 60th income percentile for the SM area or province, whichever is lower. Service Managers are responsible for home owner income verification.
2. Own a home that is their sole and principal residence with a market value at or below the average MLS® resale price for the Service Manager area.



3. Tenant households, at the completion of repairs, must have an income at or below the 60th income percentile for the Service Manager area or province, whichever is lower.
4. To be eligible, tenant households must be in rental units that are modest (i.e. not exceed Average Market Rent for the area), in satisfactory state of repair and self-contained.

The province will supply annual updates to the 60th percentile income figures and quarterly updates to the average MLS® resale price data. In communities where MLS® data is non-existent, market values may be determined by the Service Manager.

Service Managers may use these or more restrictive ceilings or figures.

The maximum household (60th percentile) income limit for the London service area is \$75,300. The MLS® resale price is \$235,036. There should be recognition that a house purchased twenty or thirty years ago may have a much greater value now than the original purchase price, however, a more modest unit price than the average resale price should be applied.

Under our Affordable Homeownership Assistance Program component, the maximum household income limit is \$55,000 and the maximum house price is \$145,000.

The average market rent is currently at \$820 per month.

Target client groups for the local Ontario Renovates Home Adaptation Program include: seniors and persons with disabilities.

The maximum annual income for a couple, both disabled, on Ontario Disability Support Program (ODSP) is \$21,336. The maximum annual income for a couple, both seniors receiving basic OAS/GIS/SPA is \$36,284. The maximum income to be eligible for funding assistance under the Ontario March of Dimes Home and Vehicle Modification Program is \$30,000.

Type of Work and Maximum Assistance

Modifications to increase accessibility related to housing and reasonably related to the occupant's disability can include: handrails in the hallways and in stairways, easy-to-reach work and storage areas in the kitchen, lever handles on doors and sinks, walk-in showers with grab bars, and bathtub grab bars and seats are examples of the types of adaptations that can be made under this initiative.

Repairs must commence within 120 days of project approval. Copies of all financial invoices must be provided for reporting and audit purposes.

Funding for accessibility repairs made to a home and/or unit, up to a maximum of \$3,500, is in the form of a grant and does not require repayment.

Homeowners must agree to continue to own and occupy the dwelling unit for at least six months after the work has been completed.

Landlords must agree that adaptation work will not result in a rent increase.

Ineligible Projects

The following projects are not eligible for Ontario Renovates funding:

- nursing homes, shelters (except those that house victims of family violence) and crisis care facilities (including hostels)
- projects receiving capital support from the Ministry of Health and Long-Term Care or the Ministry of Community and Social Services
- social housing as defined under the *Housing Services Act, 2011* (non-profit, co-ops and public housing)



Reporting

Service Managers are required to update and submit their PDFPs with their approved progress under the Ontario Renovates component on a quarterly basis and will also be required to submit reports to the ministry upon completion and annually throughout the affordability period of all Ontario Renovates projects.

This reporting ensures compliance with the provisions of the CMHC-Ontario Investment in Affordable Housing Program Agreement, the Service Manager Administration Agreement, and other established program parameters.

Recommendation

It is recommended that:

1. the local Ontario Renovates Home Adaptation Program be created, as outlined in the report, to provide up to \$3,500 per unit financial assistance to support modifications and adaptations to increase accessibility related to housing;
2. the maximum household income limit be established at \$40,000;
3. the maximum house price be established at \$175,000;
4. the maximum rent be established at the CMHC average market rent of the unit by the number of bedrooms; and
5. the allocation for the Ontario Renovates Home Adaptation Program be approved in accordance with the Council approved Program Delivery and Fiscal Plan, utilizing federal/provincial funding.

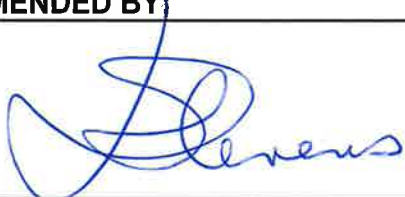
FINANCIAL IMPACT

There is no impact on the municipal levy as our allocation of federal/provincial funding will be utilized for Ontario Renovates.

As per the approved Program Delivery and Fiscal Plan, the City of London will be proceeding with funding for accessibility repairs, up to \$3,500 per-unit, in the form of a grant which does not require repayment provided that homeowners agree to continue to own and occupy the dwelling unit for at least six months after the work has been completed and in the case of a rental unit, the landlord must agree that adaptation work will not result in a rent increase.

Federal/provincial funding of \$297,500 has been allotted for twenty eight (28) units per year for the first two years and twenty nine (29) units for 2014/15 for a total of eighty five (85) units.

RECOMMENDED BY:



LOUISE STEVENS
DIRECTOR OF MUNICIPAL HOUSING

- C. L. Livingstone, Director, Community Services
D. Mounteer, Solicitor, City of London
S. Bennett, County of Middlesex
A.L. Barbon, Manager, C/S Financial & Business Services