

Report HDR-SS-14-16

To: Chair Burley and Members of the Social Services Committee
From: Anne Marie Shaw, Director of Housing
Meeting Date: October 12, 2016
Subject: **Affordable Housing Projects**
Status: Recommendation adopted by Committee as presented per Resolution SSC82-16; Endorsed by County Council November 1, 2016 per Resolution CC137-16;

Recommendation(s)

- 1. That Report HDR-SS-14-16 regarding affordable housing project recommendations be received; and**
- 2. That Owen Sound Housing Company Limited and Community Living Owen Sound and District proposals be recommended to the Province to build affordable housing through the Investment in Affordable Housing and Social Housing Infrastructure Fund.**

Background

The Investment in Affordable Housing for Ontario 2014 Extension program (IAH) is a federal and provincial program to provide funding for the creation and repair of affordable housing. The IAH (2014 Extension) is based on the principles of Ontario's Long-Term Affordable Housing Strategy and is a continuation of the Canada-Ontario Affordable Housing Program (AHP).

The Rental Housing Program component provides funding to increase the supply of rental housing by providing funding to eligible projects for construction of safe, adequate and affordable rental housing. Throughout the next three years there is opportunity to support new affordable units in Grey County through this program

Grey County Housing received \$1,375,000 in funding for 2016 -18 to build affordable housing through the Investment in Affordable Housing (IAH) Program. An Expression of Interest was issued in March/April of 2016. The County received two proposals that met all requirements of the IAH program and met local needs for affordable housing.

In July 2016 the County of Grey received an additional \$1,600,000 in funding through the Social Infrastructure Fund for a total of \$2,975,000 in funding. Social Infrastructure Fund (SIF) is a joint initiative between the Federal and Provincial governments to provide funding to improve the quality and increase the supply of affordable housing while also stimulate economic growth.

This additional funding allowed a revision of one of the proposals for more affordable units.

Proposal #1- Owen Sound Housing Company Limited 22 affordable units

- 28 one and two bedroom townhouse style units
- 6 one bedroom market rent units, 15 one bedroom affordable rent units, 7 two bedroom affordable market units.
- Single, seniors, couples and small families
- Rent \$554 for a one bedroom and \$692 for a two bedroom
- Ground level accessible units and 2 storey stacked apartments
- 12 barrier free accessible units for seniors and persons with disabilities
- Support services will be available on site
- \$2,550,000 subsidy on \$4,892,237 project

Proposal #2 Community Living Owen Sound and District 6 affordable units

- Conversion and renovation of current office space for six one bedroom units
- Rent \$545 a month.
- Building fully accessible, five units mobility friendly and one unit fully accessible
- Support services available on site
- \$425,000 subsidy on \$700,000 project

Projects are eligible for up to 75% of total project cost to a maximum of \$150,000 per unit

Eligibility Criteria

Eligible projects must be one of the following:

- New construction, including additions and extensions
- Acquisition and, where required, rehabilitation of existing residential buildings to maintain or increase the affordable rental housing stock

- Conversion of non-residential buildings or units to purpose-built rental buildings/units

Eligibility Criteria – General

- Units must be modest in size and amenities relative to other housing in the community. Units are expected to be self-contained.
- Be approved by council and/or board based on municipal/board.
- Have all required municipal approvals such as zoning, minor variances, land severances, or site plan approvals in place to permit the proposed development, or be well advanced in the planning approvals process.
- Be able to sign a Contribution Agreement (CA) no later than December 31st of each program year.
- Start construction within three months after signing a Contribution Agreement.
- Be completed within two years of the date of the Contribution Agreement.
- Be financially viable from a construction and operating cost perspective – based on SM confirmation.
- Have rents that on average for the project are at or below 80% of the CMHC Average Market Rent (AMR) for the community for a minimum of 20 years.
- Provide the required equity, if applicable – 10% for private proponents; 4% for partnerships between private sector and non-profit organizations; 0% for non-profit organizations.
- Have confirmation of support services, if applicable.
- Address housing needs consistent with provincial and local priority
- Have energy efficiency features that reduce and/or eliminate greenhouse gas emissions.
- Are fully accessible and/or have units that are accessible to persons with disabilities.
- Have support service funding in place, if applicable.

Next Steps

Recommended projects are submitted to the Ministry by November 30th of each program year. All projects must be submitted through the Grants Ontario System (GOS) along with additional project background information

In addition to the mandatory requirements of reducing property taxes/grants in lieu and providing required equity, Service Managers and proponents are encouraged to provide additional contributions in order to increase the financial viability of the project and/or to provide deeper affordability.

Contributions by Service Managers may include: waiving or reducing development charges, planning approvals application fees, building permit fees, and full property tax exemptions as well as contributions of municipal grants, and municipally-owned land.

Financial / Staffing / Legal / Information Technology Considerations

\$2,975,000 in provincial funding provided to the County of Grey for the fiscal years of 2016 to 2018. This program will have a neutral impact on the County as no levy funds will be required.

Link to Strategic Goals / Priorities

Program will assist in the creation and sustainability of affordable housing units.

Attachments

None

Respectfully submitted by,

Anne Marie Shaw, Director of Housing