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UPDATE ON THE FEDERAL HOUSING PROGRAM— COMMUNITY RENTAL HOUSING PROGRAM

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, April 28, 2004, from the Commissioner of Community Services and Housing:

1. RECOMMENDATION

It is recommended that:

1. A letter be sent to the Province reaffirming York Region's interest in the Federal Housing Program—Community Rental Housing Program and the Region's expectation that the Province will provide matching funds and new rent supplement funding for the Program.

2. PURPOSE

The purpose of this report is to update Committee and Council on the status of the program and the current program review being undertaken by the Province.

As well, there is a need to reaffirm to the Province the Region's position that in order for the program to be successful, it is imperative that the Province work with Service Managers as equal partners. York Region maintains its position that full matching Provincial funding and new rent supplement funding are both necessary to achieve program success.

3. BACKGROUND

A Federal Housing Program was announced in early 2001. Provinces were given broad flexibility in determining priorities, delivery arrangements, and matching funding.

The Community Rental Housing Program (CRHP) was designed to be 50% cost shared by the territorial and provincial governments. The Federal government's contribution would be up to a maximum of an average of \$25,000 per unit. In the case of Ontario, the Province announced that it would contribute a maximum of \$2,000 per unit. The remainder of the matching funds were to be contributed by municipalities, and non-profit and community groups.

At its meeting in June 2003, Council agreed, in principal, to the Region participating in the CRHP subject to negotiating the contents of an acceptable administrative agreement between the Province and the Region. Council agreed to provide matching funding up to a maximum of \$7.5 million to be funded from the Social Housing Reserve. As part of this

approval, Council also urged the Province to consider increasing its contribution to the Program.

Regional staff have held protracted discussions and negotiations with Provincial staff. Several issues with the program design are left unsettled, including a program requirement to provide blanket Regional indemnification in regard to third-party projects funded under the CRHP. The Region has also strongly advocated for additional rent supplement units which can be tied directly to the Program and indexed to inflation ensuring the long term ability to serve clients who cannot afford average market rents.

The lack of provincial funding, a very complicated administrative framework, and, excessive program requirements resulted in slow take-up of the Program in Ontario. As such, the Minister of Municipal Affairs and Housing agreed to a Pilot Project Program which had a less constraining administrative and policy framework. Although some of the constraints were still in place in terms of liability, they were of the nature of risk the Region would expect in its normal course of business for its own buildings.

To date, the Province has announced an allocation of \$3.1 million to York Region, under the Pilot Project Program, for a seniors' project being developed in partnership with the City of Vaughan, and for the Armitage seniors project which has just been completed in the Town of Newmarket.

4. ANALYSIS AND OPTIONS

4.1 Current Status of Program

The Provincial government has now announced that it is conducting a full review of the Program with the intent of re-launching the Program later in 2004. In addition to the Program review, the Province has created a new housing division in the Ministry of Municipal Affairs and Housing responsible for developing a broader Affordable Housing Strategy for Ontario.

As part of its election platform, the current provincial government indicated it would match the Federal funding available under the Program allowing for the creation of up to 20,000 new affordable housing units. There has been no further announcement in this regard; however funding levels may be addressed as part of the Provincial budget process.

Additionally, the election platform indicated the government would support up to 35,000 low-income families through the provision of a shelter allowance. The creation of a widely based shelter allowance program could remove the need for rent supplement units tied directly to the Program. However, at present this item would appear to be delayed in terms of the provincial policy agenda.

The Province is presently seeking Service Manager input on a wide range of issues relating to program design including measures of affordability, use of provincial land, methods of funding and housing needs within municipalities.

Staff will update Council when the program review has been completed to provide information on the revamped program and to seek direction regarding the Region's potential participation.

5. FINANCIAL IMPLICATIONS

There are no new financial implications associated with this report.

6. LOCAL MUNICIPAL IMPACT

There are no new local municipal implications for this report.

7. CONCLUSION

The Community Rental Housing Program is being reviewed by the Province with the goal of re-launching the program in the fall of 2004. Staff will update Council when the Program review has been completed. At that time, staff will also seek endorsement of and/or direction regarding the Region's potential participation in the re-vamped program.

The Senior Management Group has reviewed this report.