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A POTENTIAL STRATEGY TO DELIVER YORK REGION'S ALLOCATION UNDER THE PROVINCE'S DEVELOPING OPPORTUNITIES FOR ONTARIO RENTERS (DOOR) INITIATIVE

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, May 30, 2007, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve the following principles, outlined in this report, to guide the use of Developing Opportunities for Ontario Renters (DOOR) funding in the amount of \$9.665 million recently received from the Province. These principles include:
 - Increasing/extending affordable housing supply.
 - Using funds for housing related purposes not allowed under other very proscriptive programs.
 - Distributing funds to extend and complement existing housing investments.
 - Leveraging funding through use of regionally owned land and equity contributions.
 - Increasing access to those who are disabled, where possible.
2. The Commissioner of Community Services, Housing and Health Services be directed to investigate potential initiatives for DOOR funding and report back to Committee and Regional Council with specific project budgets and program plans.
3. The \$9.665 million be deposited in a deferred revenue account until required for program initiatives that have been approved by Council.

2. PURPOSE

This report provides information about the Province's recently announced DOOR initiative, and recommends a set of principles to be considered by the Region in utilizing the \$9.665 million in funding available to it under the Program.

3. BACKGROUND

As part of the recent provincial budget process \$392 million in federal funding for affordable housing was released by the Province. In a letter to housing stakeholders dated

March 27, 2007, the Minister of Municipal Affairs and Housing, the Honourable John Gerretsen, announced that \$127 million of this funding would be invested through the DOOR initiative to create new rental housing for low-income families.

3.1 York Region's Allocation

York Region has received an allocation of \$9.665 million, which has been made available in the form of an unconditional one-time grant. Funds have been transferred to the Region's accounts.

Allocations were determined based, in part, on a community's vacancy rate and available rental stock, and information collected from Service Managers as to what options they could identify in their communities for the creation of additional affordable housing.

Additionally, the Minister considered the performance of municipalities in delivering on existing housing initiatives. The Region has made extensive use of funding through various phases of the Affordable Housing Program (AHP) in the past several years as outlined below:

Table 1
Projects Approved by Council to Receive AHP Funding

Project Name/ Owner/Municipality	Project Description/Status
Armitage Gardens / HYI	58 unit senior's building in Newmarket completed in 2004.
Blue Willow Terrace / HYI	60 unit senior's building in Vaughan completed in 2006.
Vaughan Civic Centre	85 unit senior's building in Vaughan under development.
Sutton Youth Multi-Service Centre	10 transitional units for youth completed in 2006.
Tom Taylor Place	50 unit building in Newmarket for seniors, families and singles under development.
Mount Albert United Church	Proposed 30 unit project for seniors in East Gwillimbury.
Markham Interchurch Committee for Affordable Housing	Proposed 120 unit project in Markham serving families, singles and seniors, some with mental health issues and victims of domestic violence.
Kehilla / Reena	Proposed 61 unit project in Vaughan to be erected within a larger campus serving a wide range of tenants.
Hesperus Fellowship	Proposed 63 unit building in Vaughan to serve mainly seniors.

Given the extensive involvement of York Region in the AHP, the Region's very low vacancy rate and the lack of rental housing in our communities the allocation to the Region under the DOOR program was significant. As a result, York Region received the third highest allocation in the province, behind only Toronto and Waterloo. A list of Service Manager allocations is attached (see *Attachment 1*).

3.2 Use of Funds

Although the Province has not placed any restrictions or conditions on the use of funds, senior Ministry staff have informed the Region that the Province has an expectation that DOOR funds would be used primarily to expand affordable housing supply in areas such as York Region which have a continuing high demand for this housing. A provision to allow DOOR funds to be utilized for other purposes, such as building repairs was included in the program announcement, primarily to provide options for communities such as exist in Northern Ontario, where affordable housing supply may not be required, but other forms of housing investment are necessary.

Lastly, the Province has also asked to be kept apprised of our plans and that it be allowed to share in celebrating announcements in the community.

4. ANALYSIS AND OPTIONS

The DOOR funds represent a unique opportunity to the Region to meet housing needs that may not have fit into funding available through traditional funding streams.

In developing a strategy, staff worked with the principles of increasing affordable housing supply, extending access to affordable housing to lower income households and to the disabled. Attention was also given to working within existing program frameworks to the extent possible, to ensure reasonable administrative efficiencies in program delivery.

4.1 Potential Capital Project Opportunities – Principles for Consideration

Below is a set of principles recommended for consideration in developing options for the use of DOOR funding:

- Investments meet the intended provincial goal of increasing or extending affordable housing supply.
- The flexibility of DOOR funding be utilized to further regional housing objectives, where initiatives would not necessarily meet requirements of existing federal or provincial programs.
- Funds to be distributed, across the Region, in a way that compliments pre-existing housing program investments.
- Opportunities be considered which have the potential of leveraging the available DOOR funds in a similar way to the existing Federal-Provincial Housing Programs. It is proposed that DOOR funding be combined with contributions from the Social

Housing Reserve Fund. The concept of cost sharing should also be carried through to the community initiatives in this strategy.

- Where available, the use of regional and Housing York Inc. lands be considered for redevelopment or possible expansion purposes.
- Consideration be given to increasing access to the disabled where possible through DOOR investments.

5. FINANCIAL IMPLICATIONS

The Region has received an allocation of \$9.665 million in a one time capital grant for affordable housing purposes. Complete project plans and budgets, identifying capital and operating implications of potential initiatives will be brought forward in a further Council report in the fall of 2007.

6. LOCAL MUNICIPAL IMPACT

The proposed principles to guide the expenditure of the \$9.665 million would provide new housing opportunities for low income residents across York Region, helping to address a wide spread need across our communities. The use of DOOR and regional funding could be further leveraged if local municipalities provide financial incentives and reduce their fees and charges.

7. CONCLUSION

The provincial/federal DOOR initiative provides a unique opportunity which could address a variety of affordable housing needs across the Region, increasing housing supply, improving accessibility, addressing unmet capital replacement and upgrading needs in existing facilities, and providing financial support to low income residents. Staff will explore initiatives that will respect the Province's intent to provide funding to increase affordable housing options, while taking full advantage of the flexibility offered by an unconditional grant. Program efficiencies will be considered in program planning, to ensure that program models can be replicated while minimizing administration.

For more information on this report contact Sylvia Patterson, Director, Housing Services Branch in the Community Services and Housing Department.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the June 6, 2007 Committee meeting.)