

For Information

DATE: June 14, 2011

REPORT TITLE: **HOUSING IN PEEL: REPORT ONE**

FROM: Janet Menard, Commissioner of Human Services

**OBJECTIVE**

To inform Council on the progress of a housing investment plan to increase access to housing in Peel Region.

**REPORT HIGHLIGHTS**

- In February 2011, Peel Regional Council approved \$17.1 million to address local housing needs, with the clear direction to reduce the centralized waiting list (CWL).
- This report outlines the scope of planning currently underway to develop a comprehensive long-term strategy for housing investment options and it provides an update of progress achieved thus far.
- An internal Working Group has been established to develop a plan for both immediate and long-term investment options that build on provincial and local planning initiatives, including the Region of Peel's Strategic Plan and Term of Council Priorities 2011-2012.
- In the four months since Council approved the Human Services budget, actions taken have resulted in:
  - a) 825 households stabilized or in receipt of new or in-situ subsidies;
  - b) Assistance to 33 new homeowners through the re-launch of the Region's home ownership program; and
  - c) 500 Peel households participating in the provincial Short-Term Rent Support Program.
- A housing investment plan will be brought to Council in November 2011 that will outline innovative approaches that increase access to affordable housing and deliver the greatest impact and value for future investment.

**DISCUSSION****1. Background**

In February 2011, Peel Regional Council approved a \$17.1 million increase to the Human Services budget for housing, with the clear direction to reduce Peel's centralized waiting list (CWL). As of December 31, 2010, this wait list stood at 15,341 households, with a waiting period of up to 15 years for some households.

This additional funding will help address the following pressures:

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- reduced federal funding in the Commercial Rent Supplement Program (65 units/ \$540,000) effective January 1, 2012; the remaining \$3.8 million in federal funding for this program remains unknown at this time, approximately 450 units;
- expiration of time limited provincial programs (Canada-Ontario Affordable Housing Allowance Program (AHP) (220 units / \$792,000) and Short-Term Rent Support Program (STRSP) (involving 500 participants) in March 2013; and Strong Communities Rent Supplement Program in 2023, (663 units / \$5.3 million);
- factors that collectively contribute to a 15-year waiting list, e.g. desirability of Peel as a place to live, high population growth, poverty, and low turnover of subsidized units because of economic impacts, provincial priority policy, etc.

This report outlines the scope of current planning that is underway to:

- provide immediate access to new housing subsidies for waiting list applicants;
- take a comprehensive approach to new and existing funding, programming and development initiatives as a platform to examine longer-term needs and the development of a long-term strategy for creative and appropriate housing investment options to address the operational needs of implementing this initiative.

The development of a long-term strategy is well aligned with a number of provincial and local planning initiatives including:

- Long-Term Affordable Housing Strategy (LTHAS);
- Places to Grow Growth Plan and Peel Housing Strategy; and
- Region of Peel Strategic Plan 2011-2014 and Term of Council Priorities.

Staff will bring forward a second report in November 2011 that will present an affordable housing options investment and long-term implementation plan (based on a 15-year time frame) which will:

- build on prior plans and be based on consultation, research and best practices; and
- be integrated into Peel's Long-Term Affordable Housing Plan, due to the province by January 2013.

A series of short reports will follow detailing the program components of the Council supported strategy.

Five employees have been hired to assist in moving this work forward. Management will be re-allocating resources and priorities internally to accommodate the additional requirements associated with this project.

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**2. Interim Progress on Current Initiatives/Immediate Next Steps**

In the four months since Council's budget approval of additional funding for housing, staff has actively taken steps to improve access to appropriate housing by exploring a range of immediate and long-term options. A cross-departmental working group has been established to oversee the planning process and program staff has focused on immediate deliverables. In the past four months, outcomes noted in the following table have been achieved. This represents a \$7.6 million commitment of Regional funds from the \$17.1 million approved. In addition, 500 households have been provided with rent support using provincial STRSP:

<b>Current Initiative</b>	<b>Description</b>	<b>Units</b>	<b>Estimate of Annualized Costs</b>
Stabilize Existing Rent Supplement Units	Stabilized households in rent supplement units by using new funding to replace loss of federal funding (which impacts some units) and to support additional rent subsidies placed in two new buildings (Chapelview and Nance Horwood, built without rent-gear-to-income provisions and first occupied in 2010).	175	\$1.3 million
New Rent Supplement Units	Added new rent supplement units (all age units and senior units with a mix of 1, 2 and 3 bedrooms) with existing and new landlords.	150	\$1.7 million
Households Receiving In-situ Rent Subsidies Where They Reside	Reviewing centralized wait list applicants currently residing in market rent units with a rent supplement landlord or a social housing provider for in-situ consideration (i.e. receipt of subsidy where they currently live) provided that doing so does not negatively impact unit mix ratio of market to subsidized units.	500	\$4.2 million
Affordable Home Ownership Program	Allocated \$400,000 of new funding in 2011 to re-launch the Region's Affordable Home Ownership Program that is providing approximately 33 clients with down payment assistance of \$12,000 each towards the purchase of a home in Peel valued up to \$280,000 as new homeowners.	33 homes	\$400,000
<b>TOTAL HOUSEHOLDS ASSISTED THROUGH REGIONAL FUNDING</b>		<b>858</b>	<b>\$7.6 million</b>
Short-Term Rental Support Program (STRSP)	Short-term (30 month) rental support provided with provincial funding.	500	\$3.75 million
<b>TOTAL HOUSEHOLDS ASSISTED</b>		<b>1358</b>	<b>\$11.35 million</b>

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Other outcomes achieved include:

- increased direct and network marketing to form new partnerships with eligible non-profit and private landlords, in addition to contacting real estate boards, the Federation of Rental-Housing Providers of Ontario (FRPO) and the Greater Toronto Apartment Association (GTAA); resulting in partnerships with eight new private sector landlords;
- partnered with the United Way of Peel Region and Woodgreen Community Services of Toronto to obtain development funding from the Trillium Foundation to investigate the feasibility of a Peel model that would build on/replicate the success of the Toronto-based Homeward Bound Program. This program helps single mothers and others by providing holistic services such as housing, education, life skills, childcare, and employment opportunities;
- obtained stakeholder input on strategies to increase access to housing from co-operatives and non-profit housing providers at a March 23 consultation meeting.

In addition to the above, the following initiatives are underway:

- assessment of requests from community partners looking for housing allowances or rent-geared-to-income assistance in existing/new developments;
- review of local priority policies to facilitate immediate and increased access to rent subsidies families with medical priorities, chronologically disadvantaged applicants, and recent RGI recipients who have temporarily moved to market rent payment;
- completion of four new development agreements for projects under construction (financed through funds from a combination of Canada-Ontario Affordable Housing Program (AHP), Infrastructure Funding (partner land and funding contributions) that will provide 769 units for seniors, families, and individuals. Approximately 40 per cent of these new units will be RGI; and
- research into new approaches to, and housing strategies utilized internationally (e.g., U.S., United Kingdom), including use of portable housing subsidies.

### **3. Developing a Housing Investment Plan to Address Affordable Housing Needs**

The planning process which is currently being led by the cross-departmental working group includes the following elements:

- creating both principles and a framework for immediate and long term option development;
- conducting stakeholder consultation and best practice research; and
- building a financial forecasting model that addresses long-term needs, including the impact of decreasing federal funding and program funding.

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**a) Goal and Principles**

Building on the direction of Council's Strategic Plan and Term of Council Priorities, the working group developed the following goal for this planning initiative:

- to increase the supply of appropriate housing options, along the housing continuum, that addresses the needs of individuals on Peel Region's centralized housing wait list.

To help guide the assessment of preferred appropriate housing options, five supporting principles were also created, articulating solutions that:

- are responsive (locally driven, timely, innovative, creative, and address systemic or other barriers);
- are adaptable (flexible, accessible and replicable);
- build strong communities (healthy, safe, cohesive, accessible and support environmental sustainability);
- are people-centred (designed to empower people, to support their social inclusion, act on what is important to the household to encourage successful tenancies, and provide equitable access to housing); and
- demonstrate accountability (transparent, evidence-informed, provide the best value for money; leverage other resources to maximize return on investment, and outcome-based).

**b) Strategy Development: Immediate and Long- Term Options**

In addition to the research that is currently being undertaken, additional options under discussion include, but are not limited to:

**Housing Subsidies:**

To maintain existing subsidy levels and address the growing demand:

- replace expired funding and expand the current number of subsidy through rent supplements in partnership with private and non-profit landlords; and
- pilot a personal portable subsidy model that provides financial assistance directly to low-income households to supplement what they can afford to pay for rent in the private or non-profit sector in a unit in which they currently live.

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### **Capacity Building/Empowerment:**

To help people become more independent and build individual capacity:

- increase referrals and supports to short-term financial assistance programs and internal supports (e.g., crisis/outreach, employment resources) that will help increase self sufficiency and build personal assets that will enable movement along the housing continuum;
- assess the feasibility of a social development fund (through, for example, Individual Development Accounts (IDA) programs) that would invest in low-income individuals for education, housing and small enterprises; and
- investigate existing loan models in place targeted at bridging skills development of skilled immigrants, including costs, e.g., the Maytree Foundation in Alberta.

### **New Development/Conversions:**

To develop a proactive approach to identifying new development or purchase opportunities in the following areas:

- acquiring undeveloped and build-ready land for the purchase, design and the construction of housing;
- identifying developer interest in new housing development in a turnkey process;
- purchasing buildings and/or units (in condos, former commercial properties, and/or large homes/buildings) that could be converted into multi-residential suites.

### **Home Ownership Affordability:**

To expand home ownership options:

- propose alternative home ownership models (e.g., rent-to-own, co-operative ownership models, shared ownership, partnership leveraging, new homes)
- explore the feasibility of a home ownership retention program that could help people stabilize and keep their homes when their financial circumstances become challenging.

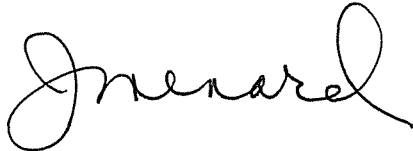
## **CONCLUSION**

The development of a housing investment options will assist the Region in determining how to provide immediate and long-term support to people during vulnerable times in their lives, thereby helping Peel build a community that is more stable, responsive and adaptable.

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Staff will report back to Council in November with a comprehensive plan that will outline options which increase access to affordable housing and deliver the greatest impact and value for money going forward. In the interim, staff will continue to focus on expanding the existing rent supplement and homeownership programs and identify opportunities to revise policies to enable greater access to housing.



Janet Menard  
Commissioner of Human Services

**Approved for Submission:**



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D. Swarc, Chief Administrative Officer

*For further information regarding this report, please contact Joan Kaczmariski at extension 7242 or via email at [joan.kaczmariski@peelregion.ca](mailto:joan.kaczmariski@peelregion.ca)*

*Authored By: Joan Kaczmariski, Geoff McIlroy, and Susan Wilkin*

c. Legislative Services