

Housing Policy & Programs

Service Level Review

Regional Council – December 1, 2005



Housing Policy & Programs

Who we are

- ❑ Peel Access to Housing (PATH)
- ❑ Housing and homelessness initiatives
- ❑ Rent supplement administration
- ❑ Social housing administration
- ❑ Housing policy
- ❑ Commissioner's office and direct support

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What we do

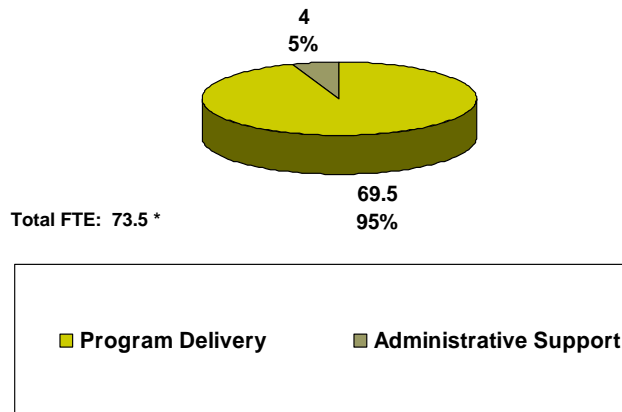
- ❑ Generally, role of the “Service Manager”
- ❑ Manage the centralized waiting list (PATH) of applicants for rent-g geared-to-income housing (14,958 households representing some 37,000 people)
- ❑ Plan and initiate new affordable housing projects and initiatives
- ❑ Access federal/provincial funding for housing and homeless programs
- ❑ Contribute to the Region’s efforts to eliminate homelessness through community partnerships

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What we do (cont’d)

- ❑ Administer social housing providers (47 providers and 12,424 units) as per the Social Housing Reform Act (SHRA)
- ❑ Administer rent supplement programs (2,207 units) as per SHRA
- ❑ Manage the social housing subsidy budget (\$82.4 million)
- ❑ Develop regional housing strategy and policies and contribute to federal and provincial housing policy
- ❑ Advocate for housing programs and funding

Housing Policy & Programs Staffing



* Includes an increase of two FTE's, one fully funded by provincial program administration fees for the new Affordable Housing Program and the second fully recoverable through Peel Living (i.e. no net impact to the Region).

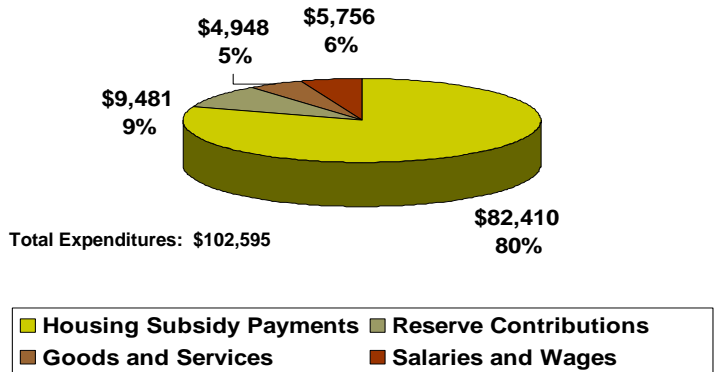
Housing Policy & Programs Why we do it

- ❑ The Province of Ontario has mandated Peel as one of 47 Service Managers to administer social housing under the Social Housing Reform Act (SHRA)
- ❑ The SHRA also gives the Region the discretion to act as an agent in the delivery of new housing programs to deal with the increasing need
- ❑ There is a significant need for affordable housing in Peel

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Current Budget – Proposed Total Budget

(\$000's)



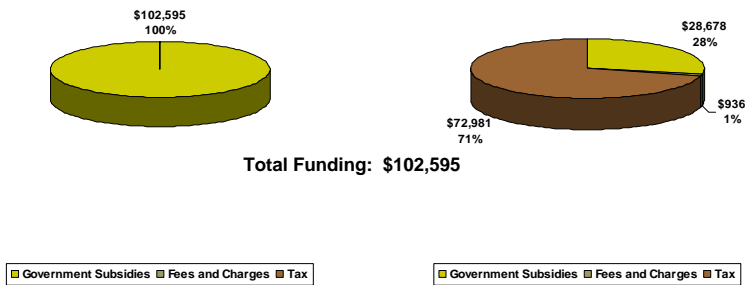
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Funding of Social Housing in Peel

(\$000's)

Without Devolution

With Devolution



Housing Policy & Programs Budget Comparison (\$000s)

The majority of the net budget increase is due to a mandated increase by the province: the implementation of the new funding model and revenue and expense benchmarks set by the province.

The remainder of the increase is due to the operating deficits for the new transitional housing projects - Angela's Place and Peel Youth Village.

	2006 Proposed Budget		2005 Approved Budget		Budget Increase			
	Total Budget	Net Budget	Total Budget	Net Budget	Total Budget		Net Budget	
					Amount	%	Amount	%
Housing Policy & Programs	102,595	72,981	95,352	67,161	7,243	7.6	5,820	8.7

Housing Policy & Programs 2006 Budget Pressures (Net \$000s)

Net Budget Increase Category	Increase (Decrease) Amount (\$000s)	Variance Explanation
Non Controllable	\$8,620	New benchmarks/funding model (mandated by provincial legislation) Peel Youth Village and Angela's Place Salaries (inflation)
Controllable Growth	1,000	Reserve contribution (Provider Capital Replacement)
Efficiencies	(3,800)	Benchmark negotiations Reduction in inflation estimate for Peel Living External funding for Peel Youth Village Reduction in development reserve
Total	\$5,820	

Housing Policy & Programs Significant Pressures – Non-Controllable

Major Driver	Net \$000s
1 Housing Provider Subsidies – new benchmarks/funding model (Mandated by provincial legislation)	\$6,234
2 Annualization of operating losses for Peel Youth Village and Angela's Place	\$2,114
3 Increase in administrative costs: salaries	<u>\$ 272</u>
	\$8,620

Housing Policy & Programs Significant Pressures - Efficiencies

Major Driver	Net \$000s
1 Negotiation of new benchmarks with housing providers	\$(1,700)
2 Reduction in inflation estimate for Peel Living	(350)
3 Reduction for Revised Timing of Implementation of New Benchmarks	(350)
4 External funding of annualization of Peel Youth Village costs	(400)
5 Reduction in housing development reserve contribution	<u>(1,000)</u>
	(\$3,800)

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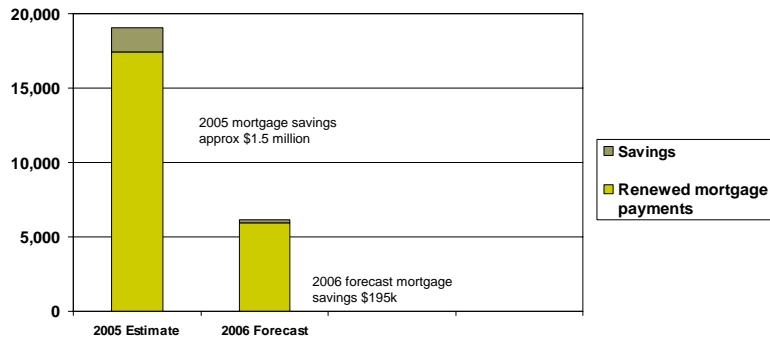
Current & Capital Efficiencies

- ❑ Accessed additional Community Rental Housing Program (CRHP) funding for John Street and Peel Youth Village (capital)
- ❑ Accessed CRHP administration funding to offset costs of staff involved in program (operating)
- ❑ Worked with HRSDC staff to optimize use of SCPI 2 (Supporting Community Partnership Initiative) funding, and to actually increase our allowance (capital and operating)
- ❑ Working with province to access funding under the new affordable housing and shelter allowance programs (capital and operating)
- ❑ Working with MCSS to possibly access funds for VAW units in portfolio (operating)

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Savings from Mortgage Renewals

Savings from Mortgage Renewals (\$'000)

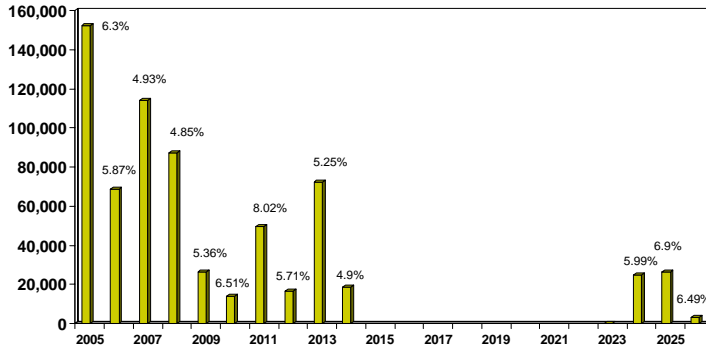


The savings indicated above (\$195K), have been reflected in the expenditure projection for next year

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Outstanding Mortgage Balance and Average Rate of Renewals by year

Outstanding Mortgage Balance (\$'000)



This chart shows mortgages renewing in upcoming years and the current weighted interest rate of those mortgages. For 2007 and 2008, the potential for savings is minimal.

Housing Policy & Programs Service Options Summary \$000s

□ 2 Service Options totalling \$1,210

1	Reduction in Development Reserve Contribution	\$1,000
2	Reduction in Policy Analysis and Reporting, and Housing Provider Oversight	\$210

Housing Policy & Programs Service Option for Consideration

Option	Category	2006 \$000s	Annualized \$000s	Impact on Taxpayers
1	Efficiencies	\$1,000	\$0	<p>PRO</p> <ul style="list-style-type: none"> □ No impact on current development plan <p>CON</p> <ul style="list-style-type: none"> □ One-year reduction has minimal impact on long-term plan

Housing Policy & Programs Service Option for Consideration

Option	Category	2006 \$000s	Annualized \$000s	Impact on Taxpayers
2	Controllable – Maintaining	\$210	\$210	<ul style="list-style-type: none"> □ Represents up to 3 FTE's at \$70,000 per FTE □ 1 FTE from Housing Policy would result in a cut-back in analysis and planned reporting; Internal Audit has recommended an increase in reporting □ 2 FTE's from housing provider oversight would result in a reduced social housing provider project-level awareness and reduced ability to anticipate and respond to concerns and issues; may result in more projects in difficulty □ Currently 5 FTE's oversee \$82.4 M in subsidy or \$16.5 M per FTE. Reducing to 3 would mean \$27.5 M per FTE.



Housing Policy & Programs Conclusion

- ❑ Total budget increase of \$7,243,000
- ❑ Net increase of \$5,820,000
- ❑ Budget Pressures:
 - mandated new funding model and increased payments to housing provider
 - operationalizing supportive housing projects
- ❑ No Service Level Enhancements for 2006
- ❑ Efficiencies: \$3.8M