
DATE: April 12, 2012

REPORT TITLE: **HABITAT FOR HUMANITY PARTNERSHIP**

FROM: Janet Menard, Commissioner of Human Services

RECOMMENDATION

That the Region of Peel enter into a formalized partnership with Habitat for Humanity Brampton and Habitat for Humanity Mississauga;

And further, that funding be increased for Habitat for Humanity Peel Affiliates from up to \$75,000 per unit to \$90,000 per unit for up to 50 units from 2012-2017, funded under the Housing Investment Plan;

And further, that Regional staff be granted the authority to explore additional partnership opportunities through Habitat for Humanity's potential program expansion.

REPORT HIGHLIGHTS

- A formalized partnership between Habitat for Humanity in Mississauga and Brampton/Caledon and the Region of Peel will create affordable ownership housing in the Region of Peel.
- Habitat for Humanity can construct larger and more appropriate units to meet family needs.
- Some families on Peel's centralized waiting list meet Habitat for Humanity's eligibility criteria and can be considered for program participation.
- Funding to support this partnership has been included in the Region's Housing Investment Plan and has been approved in principle by Regional Council.
- The report recommends an increase in funding from \$75,000 per unit to \$90,000 per unit for up to 50 units between 2012-2017, subject to annual progress reports.

DISCUSSION

1. Background

In response to the affordable housing shortage in Peel, Regional Council has made increasing access to appropriate housing and preventing homelessness a high priority (Term of Council Priority #7 for 2011-2014). Council has committed to this priority through the approval of \$17.1 million in annualized funding to address local housing needs, with clear direction to reduce the Centralized Waiting List (CWL). The Housing Investment Plan was subsequently approved by Regional Council in November 2011, which establishes a

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road map for investing this \$17.1 million. This plan includes four strategic directions, including increasing access to homeownership (Strategic Direction #3), which will increase supports across the full housing continuum and strengthen the existing capacity of the system (see Appendix I).

Habitat for Humanity

Habitat for Humanity (HFH) is a non-profit, international organization whose mission is to mobilize volunteers and community partners in the building of affordable housing and to promote homeownership as a means of breaking the cycle of poverty. HFH families have experienced success in other areas of their lives, such as high rates of post-secondary school attendance and stable employment. The Region views this partnership as a positive investment that can help eligible families on the CWL, or currently in subsidized housing, achieve affordable home ownership.

Families who meet the selection criteria are provided with an interest-free mortgage, but are also required to commit 500 hours of sweat equity into the construction of a Habitat home. Partner Families are also required to pay the taxes, maintenance and any costs required for the upkeep of the homes. The HFH model results in a positive return on investment and leveraging capabilities, using mortgage payments to build additional homes. The more homes HFH builds, the more funding for construction of additional homes is made available.

HFH affiliates in Peel include Habitat for Humanity Brampton (which includes the Town of Caledon) and Habitat for Humanity Mississauga. These affiliates each have a Board of Directors with expertise in business, finance and construction. Furthermore, the Region of Peel and HFH Peel Affiliates have experienced a successful partnership to date, as the Region has assisted four HFH Peel Affiliates Partner Families with down payment assistance through the Region's Affordable Home Ownership Program. Peel Housing Corporation also transferred the title on a surplus piece of land on Hoskins Square in Brampton to HFH Brampton to build up to three new homes, one of which is nearing completion. Similarly, the Region of Peel transferred a surplus piece of land to Habitat for Humanity Mississauga; this land was a result of the Britannia Road expansion.

2. Partnership Proposal

As required by the Housing Investment Plan, HFH Peel Affiliates have submitted a "Business Case – Impacts of Peel Regional Funding", which proposes a partnership with the Region to develop up to 50 new affordable homes in Peel over the next five years (2012-2017). This partnership will help expedite HFH Brampton's 36inTen project, which was initially envisioned by HFH as having a ten year period of construction, and can also be used towards potential HFH projects in Mississauga and Caledon during this time period.

HFH Brampton has outlined plans to build up to 36 new homes. Plans are underway for a 20 home townhouse project at Torbram Road, south of Clark Boulevard, where construction is set to begin in early 2013 and for a 15 home townhouse project at McLaughlin Road, north of Queen Street, where construction is set to begin in 2015. Also, as previously noted, one home at Hoskins Square in Brampton is currently underway. HFH Mississauga has expanded its mandate to include the purchase and renovation of existing homes and discussions are underway with a local builder to include a Habitat home in a new project in Mississauga.

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In addition to building new homes, Habitat and the Region are exploring opportunities such as renovations and repairs of social housing properties in Peel and possible low interest loans and renovation assistance for home in Peel clients.

3. Proposed Direction

In order to accelerate HFH's construction schedule in Peel, it is recommended that the Region invest up to \$90,000 per unit over the next five years (2012-2017) to build up to 50 homes across Peel. This investment is a blend of a capital grant (cash-in-lieu for development charges) for HFH and a down payment for the Partner Family.

Planning for this potential partnership has been included in the Region's Housing Investment Plan under the Home Ownership Assistance to External Partners initiative, where up to \$75,000 per unit has been previously approved by Regional Council. In the past, HFH has experienced challenges with raising the funds required to complete upfront work (i.e. site servicing) such as sewers, water mains and hydro work required before house construction can begin. Increasing this funding commitment to up to \$90,000 per unit will accelerate HFH's construction schedule and has the potential to reduce HFH's ten year plan to build 36 homes in Brampton to five years. In addition to new construction, HFH Mississauga is exploring opportunities to renovate existing homes. Funding will be used to offset any relevant municipal charges and to provide a down payment for the family.

A legal agreement will be required to outline the transfer and conditions of funding in a way that is satisfactory to the Commissioner of Human Services. Furthermore, HFH Peel Affiliates will be required to provide the Region with annual progress reports to validate funding requests.

FINANCIAL IMPLICATIONS

A funding allocation of up to \$75,000 per unit has been included in the Housing Investment Plan. It is recommended that this allocation be adjusted to up to \$90,000 per unit over the next five years (2012-2017). This adjustment will support the necessary upfront site servicing and municipal development charges required before the start of construction and will assist with a down payment for the participating family.

This allocation adjustment will not result in a budget increase, as the additional funding will be reallocated from within the Housing Investment Plan.

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CONCLUSION

A continued and formalized partnership between HFH Peel Affiliates and the Region of Peel will allow for a cost-effective method of creating affordable home ownership in Peel. Partner Families will receive assistance towards achieving their goal of home ownership and will also have access to Regional and community supports to assist with their family's success. The Region views this partnership as a positive investment, as it will help move Peel residents along the housing continuum and off the CWL or out of social housing into affordable home ownership. Finally, this partnership will assist HFH Peel Affiliates with continuing to build on their growing volunteer capacity, and in turn, create more homes for the residents of Peel.



Janet Menard
Commissioner of Human Services

Approved for Submission:



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APPENDIX I

Region of Peel Housing System

This report affects the circled area.

