Business Plan: Affordable Housing

How does this service contribute to the results identified in the City of London Strategic Plan?

<table>
<thead>
<tr>
<th>A Strong Economy</th>
<th>The Affordable Housing Program administers federal, provincial and municipal funding toward the acquisition or construction of additional housing units that are affordable to low income and vulnerable Londoners. The program is administered under provincial legislation and agreements and guided by the local needs, priorities, and delivery options within the 10-year Homeless Prevention and Housing Plan.</th>
</tr>
</thead>
</table>
| A Caring Community | Affordable housing contributes to reducing longer-term demands in other publicly-funded programs such as emergency services, the health care system and justice/corrections system.  
This service is mainly dependent on continued federal and provincial policies and funding. The $2M annual contribution by the City of London assists in supplementing funding from senior levels of government and the private sector. Should municipal incentives no longer be available, only programs cost shared between the federal and provincial governments, but administered by the City, would continue; local housing programs would be eliminated; the need for affordable housing would increase.  
This program serves low to moderate income households: senior citizens; households with dependents (families) and households without dependents (single persons and childless couples). Sub-groups include persons with disabilities, victims of domestic violence, off-reserve Aboriginal peoples, immigrants and homeless. |
Name the main activities done to provide this service:

<table>
<thead>
<tr>
<th>Name The Activities Done To Provide This Service</th>
<th>How Much Did We Do? (optional)</th>
<th>Is The City Mandated To Provide This Service?</th>
<th>Can The Level Of Service Be Changed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Program Administration</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Creation of Affordable Housing through new construction and conversions/rehabilitations</td>
<td>89 new affordable housing units created in 2012; 86 units in 2013; 79 in 2014</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Housing supplement</td>
<td>11 new units in 2012; 22 units in 2013; 13 in 2014</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Renovation program for accessibility</td>
<td>36 units in 2012; 35 units in 2013; 33 in 2014</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Affordable Homeownership assistance</td>
<td>9 units in 2012; 8 units in 2013; 0 in 2014</td>
<td>Yes</td>
<td>Yes</td>
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</tbody>
</table>

What is the current state of this service?

The London Community Housing Strategy (LCHS) was approved by Council in June, 2010; its compendium document the London Community Plan on Homelessness (CPoH) was approved in November 2010. Effective January 1, 2014, Council approved a 10-year Homeless Prevention & Housing Plan that builds upon the LCHS and the CPoH.

A By-law for Housing as a Municipal Capital Facility was created in 2002, and reviewed and again approved in 2006 by Municipal Council. This Housing as a Capital Facility By-law enables the City of London to enter into agreements with non-profits and the private sector in the development of new affordable housing. The agreements include Council-approved incentives for new affordable housing. The By-Law also enables the City of London to enter into an agreement with the province for access to federal/provincial funding for housing initiatives.

The LCHS reflects a “toolbox” approach to various housing service options within the Affordable Housing Program with a goal of promoting caring community through specialized housing programs that ensure everyone has the ability to live with dignity in appropriate and affordable accommodations.
Components of this program include short term housing supplement, affordable homeownership assistance, convert-to-rent / rehabilitation and new acquisition or build. The development of new units increases available stock and contributes to our economic prosperity. Each new unit creates two person-years of employment. Developers and builders also contribute to funding new affordable housing through their direct investments and private mortgages. Of the 1,288 affordable housing units created since 2004, 13% or 167 new units are accessible to persons with physical disabilities.

The 2010 London Community Housing Strategy set a target of 1,000 new units (700 City of London + 300 provincially funded supportive housing) by 2015. In June 2010, Council reset the target to 1,200 (900 City of London + 300 provincially funded supportive housing) by 2015. This was subject to federal / provincial programs and sufficient funding from all orders of government, and based on past experience with the 2005 Affordable Housing Strategy.

The notional federal/provincial funding allocation to the City of London to March 31, 2015 was set at $13.6M, which is a significant decrease from the total funding of $64M over previous years. As such the target for new affordable housing units under the LCHS is continuously being reviewed with a view to adjusting it to its most achievable level. It is anticipated that a similar funding amount will be allocated in the soon to be announced extension of the federal/provincial affordable housing program to be offered from 2015 to 2019.

Policies addressing affordable housing issues in London are addressed through the Official Plan and developed for consideration and approval by Council. Municipal incentives for capital funding, residential tax rate and land are delivered in accordance with Council approved by-laws.

In January 2013, Council approved a recommendation to explore the viability of creating an independent housing development corporation (HDC) to advance outcomes related to affordable housing. This would be a local independent special purpose business entity that consolidates housing development at arm’s-length from the City - guided within the City’s housing strategies and under a share capital agreement. An independent entity could advance housing development, inclusive of affordable housing, by leveraging the rules and authority of the municipality as well as those of a business corporation adding an array of business tools and financial instruments to the “toolbox”. A business case and business plan in support of the HDC were presented for consideration in 2014.

What has been done to manage the budget?
Efficiencies / Costs Avoided
Previous 3 Years

- This service effectively manages and attracts available federal & provincial subsidy with the assistance of the City's supplementary $2M annual fund to ensure an effective Affordable Housing Program is administered and sufficient affordable housing units are created for low income and vulnerable households in London and Middlesex.

Revenue Generation / User Fee Increases
Previous 3 Years

- This service does not generate revenue or user fees but effectively manages federal & provincial subsidy allotments along with the City's supplementary annual fund.
What is the future direction of this service?

What future initiatives can be contained within the maintain existing service level budget?

The Housing Division will continue its advocacy for increased and long term funding commitments from other orders of government for the creation of new affordable housing. We will prevent the slide into homelessness and promote recovery from homelessness by partnering with the Homelessness Division of Neighbourhood, Children and Fire Services on programs that focus on permanent solutions to homelessness.

The coordinated program delivery of homelessness to homeownership (& everything in between) based on potential integration of services between the Housing Division, Social Services & Dearness Home and the Neighbourhood, Children & Fire Services areas is being explored, now that related provincial funding and program details under the Community Homelessness Prevention Initiative (CHPI) are released. This could support linking housing programs to shelter diversion programs, London CAReS and the Ontario Works application process.

In the Provincial-Municipal Fiscal and Service Delivery Review, released on October 31, 2008, the Province announced its direction related to existing housing and homelessness programs. The London Community Housing Strategy merged these programs into an outcomes-based housing service strategy that is managed at the municipal level. The implementation plan on the London Community Housing Strategy and the London Community Plan on Homelessness (approved November 2010) will address revised service targets, program initiatives and outcomes. This was translated into a legislated 10-year Homelessness Prevention and Housing Plan effective January 1, 2014.

Program strategies outlined in the LCHS include:

- Building a toolbox of housing solutions based on the priority needs of Londoners
- Maintain minimum $2M annual City investment in affordable housing capital budget to ensure sufficient funding is available to leverage funding from the federal and provincial governments as well as from the private sector
- Create additional affordable housing units within LCHS targets (target 1,200 units by 2015.)
- Partner with other orders of government for necessary change
- Continue to invest in affordable housing, ensure policies and programs continue to provide quality housing and continue to meet needs.
Introducing new programs, such as a housing supplement, was intended to increase the total number of new affordable units by utilizing these shorter term solutions, in anticipation of new programs being announced by other orders of government in the future. However, the housing supplement program appeared to transition more into an income supplement program rather than a housing program, therefore it is currently under review. A report back to Committee will occur in 2015.

2015 Budget

- Develop a new Program Delivery and Fiscal Plan (PDFP) based on renewed federal/provincial commitments to the Investing in Affordable Housing Program and in accordance with the 2014 10-year Homelessness Prevention and Housing Plan.
- Proceed with the creation and development of the Housing Development Corporation to advance outcomes related to affordable housing.
- Utilizing one-time funding for HDC corporate set up $100,000

2016-2018 Forecast

- Evaluate existing affordable housing programs in the “tool box” for effectiveness in addressing the need and demand for affordable housing.
- Proceed with the regeneration of public housing and other social housing sites under the HDC
- Transfer annual $2M to HDC
- 2016 utilizing one-time $498,000 for property valuation and other activities of HDC
- 2017 utilizing one-time $209,000 for activities of HDC

What service adjustments do you plan to make?

Service adjustments include the creation and development of the HDC. As noted above there is one time funding planned for 2015, 2016, and 2017 for the corporate set up and HDC activities but there is no City Budget impact anticipated at this time. This will be funded by City budget savings in the Social Housing Program related to one time increases in federal funding.
## Key Performance Indicators

### How Much?

<table>
<thead>
<tr>
<th>Description of measure</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of affordable housing units per 1,000 city of London households</td>
<td>6.3</td>
<td>6.4</td>
<td>6.9</td>
<td>7.3</td>
<td>8.2</td>
<td>8.8</td>
</tr>
<tr>
<td>2. Number of households assisted for homeownership</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>9</td>
<td>8</td>
</tr>
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</table>

### How Well?

<table>
<thead>
<tr>
<th>Description of measure</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Administration costs per AHP unit (less federal/provincial funding)</td>
<td>$55</td>
<td>$56</td>
<td>$54</td>
<td>$52</td>
<td>$51</td>
<td>$51</td>
</tr>
</tbody>
</table>

### Is Anyone Better Off?

<table>
<thead>
<tr>
<th>Description of measure</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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</thead>
<tbody>
<tr>
<td>4. Number of AHP units committed – rental &amp; CTR (Convert to Rent)</td>
<td>86</td>
<td>79</td>
<td>89</td>
<td>86</td>
<td>37</td>
<td>30</td>
</tr>
<tr>
<td>5. Number of proponents approved under Requests for Proposals</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>8</td>
<td>4</td>
<td>3</td>
</tr>
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</table>