

HOUSING INCENTIVE PROGRAM UPDATE, March 31st, 2018

Introduction:

The Housing Incentive Program launched at the end of Q2 2016, following Council’s approval of \$6.9 million in funding from the Community Economic Resiliency Fund. The program covers affordable housing related pre-development costs and rebates City fees incurred between January 2016 and December 2019.

Benefits:

The Housing Incentive Program offers the following benefits:

- Supports a broad range of affordable housing projects that play an important role in the housing spectrum including housing for women fleeing domestic violence, seniors housing, assisted living and affordable homeownership.
- Provides early stage support for affordable housing pre-development (feasibility) work through a grant of up to \$50,000, at a stage when it is generally harder for organizations to gain access to funds.
- Provides a significant dollar contribution through City fee rebates (typically ranging from \$200,000-\$400,000), at a level which makes a difference to non-profit affordable housing providers.
- Is delivered with a flexible approach to accommodate a wide range of different housing projects that meet the aims of the program.
- Is delivered in coordination with Canada Mortgage and Housing Corporation’s SEED funding program, The City’s land disposition practices, and The City’s planning approvals to improve the application experience for non-profit providers.

Current Status:

As of the end of Q1 2018, the program approved 47 applications for 37 different affordable housing projects across 15 organizations. This includes 14 pre-development grant applications and 33 City fee rebate applications. To date, 44% (or \$3,060,000) of the budget has been spent with the remainder of the full program budget of \$6.9 million having been committed, or set aside, for approved applications (see Table 1). The program commitments support an anticipated total of 1,969 units of affordable housing, at an average cost of \$3,456/unit.

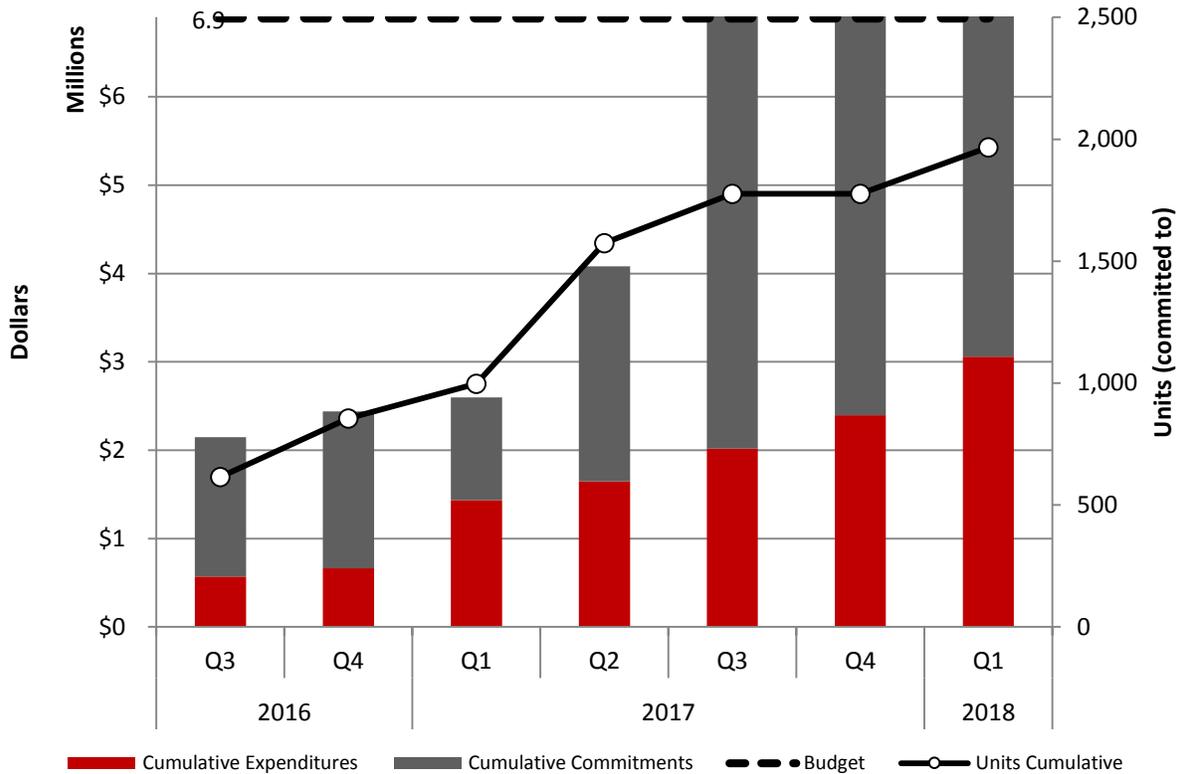
Table 1: HIP Commitments and Expenditures as of March 31, 2018

	Currently Spent	Additional Committed	Total Committed (including spent)
Dollars	\$3,059,867	\$3,735,867	\$6,804,860
% Budget	45%	54%	99%
Units*	1,033	936	1,969

*Note that units are counted as “committed” on the date when the application is first approved and funds are set aside. If there is a second application for the same project then the units are not counted again. Units are counted as “spent” once the first payment is made.

The program budget became fully committed in Q3 2017. At that time, a wait list was created to manage additional applications. As approved projects unfold, their actual costs and unit counts are updated. When additional funds become available wait listed projects are accepted into the program.

Figure 1. Cumulative Commitments and Expenditures, Housing Incentive Program as of April 6 2018



Wait List:

The wait list contains an additional nine applications for seven additional projects. The requested amount for these projects is \$1,431,000, which would support an estimated 176 new units.

Conclusion:

The Housing Incentive Program’s full budget of \$6.9M has been committed to support a total of 1,969 units by its end date of December 31, 2019. As of March 31, 2018, 45% of the budget (or \$3,060,000) has been spent to support 1,033 units.

The program has received a very positive reception to date, with many applicants appreciating The City’s coordinated and flexible approach.