CITY OF HAMILTON
COMMUNITY SERVICES DEPARTMENT
Housing and Homelessness Division

TO: Chair and Members
   Emergency & Community Services Committee
WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: September 22, 2010

SUBJECT/REPORT NO: Residential Rehabilitation Assistance Program: 2010-2011 Budget Allocation (CS10090)(City Wide)

SUBMITTED BY: Joe-Anne Priel
               General Manager
               Community Services Department
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RECOMMENDATION

(a) That the General Manager of the Community Services Department or her designate be authorized and directed to deliver and administer the Residential Rehabilitation Assistance Program (RRAP) for the 2010-2011 delivery year, in accordance with the Terms and Conditions of the 2010-2011 RRAP Budget Allocation (attached as Appendix A to Report CS10090).

(b) That the General Manager of the Community Services Department be authorized and directed to execute the Agency Agreement between the City of Hamilton and the Canada Mortgage and Housing Corporation, and all necessary associated document associated with the Agency Agreement, in a form satisfactory to the City Solicitor.

(c) That the Mayor correspond with Canada Mortgage and Housing Corporation to request an additional $2.5 million for Rental Residential Rehabilitation Assistance Program funding in order to improve the condition of the aging multi-residential housing stock in Hamilton.

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EXECUTIVE SUMMARY

Canada Mortgage and Housing Corporation (CMHC) confirmed that the Residential Rehabilitation Assistance Program (RRAP) budget allocation is $1,475,000 for the 2010-2011 fiscal year. The funding will result in the rehabilitation of approximately 82 dwellings. According to 2006 Census Canada data, there were 14,425 units in the City of Hamilton in need of “major repair” and 53,160 dwelling units in need of “minor repair”. The RRAP allocation, however, is inadequate to meet the needs of our community as the housing stock continues to age and impacts the quality of life for many of Hamilton’s residents.

RRAP provides financial assistance to low-income homeowners through a $16,000 per unit forgivable loan to repair their homes to a minimum level of health and safety. RRAP also provides financial assistance through a $24,000 per unit forgivable loan to owners of rooming houses and rental properties that house low-income tenants to improve substandard units.

In 2009-2010, approximately $1.8 million in RRAP funding was delivered, which resulted in 89 dwelling units being successfully rehabilitated.

Housing Division staff recently met with a number of private-sector landlords that own low-rise and high-rise apartment stock in the City of Hamilton. These landlords are concerned that the level of RRAP rental funding available in Hamilton is inadequate, due to the age of the multi-residential housing stock and the increased need for repairs. The quality of rental accommodation directly affects the quality of life of tenants. It is, therefore, recommended that the Mayor correspond with CMHC to request an additional $2.5 million to the current RRAP allocation, which represents the unmet requests for rental RRAP funding in 2009-2010.

The 2010-2011 RRAP budget allocation and CMHC Agency Agreement is attached to Report CS10090 as Appendix A.

Alternatives for Consideration – Not Applicable

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:

The City of Hamilton will receive a total budget allocation for the RRAP Program for the 2010-2011 fiscal year, as follows:

| RRAP Homeowner | $500,000 |

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RRAP Disabilities $175,000
RRAP Rental $700,000
RRAP Rooming House $100,000

Under the Agency Agreement between the City of Hamilton and CMHC, the City will receive an administration fee of:

- $931 per unit for homeowner applications; and,
- $931 for the first unit and an additional $112 per unit thereafter for multi-unit applications.

The funds are used to cover the administrative aspects of the application processing.

**Staffing:**
There are no staffing implications associated with Report CS10090.

**Legal:**
The City of Hamilton Legal Services Division will be consulted in the completion of the 2010-2011 Agency Agreement with CMHC.

**HISTORICAL BACKGROUND**

The City of Hamilton has delivered RRAP for the past 36 years since the Federal Government first introduced RRAP in the 1970s. The City in partnership with CMHC has successfully provided rehabilitation assistance to over 4,700 Hamilton homeowners during this period and more recently to rooming houses, lodging homes and private rental buildings.

**POLICY IMPLICATIONS**

There are no policy implications associated with Report CS10090.

**RELEVANT CONSULTATION**

During a consultation with private sector landlords of apartments, they expressed concern regarding the adequacy of RRAP rental funding to rehabilitate and repair aging multi-residential housing stock.
ANALYSIS / RATIONALE FOR RECOMMENDATION

As the housing stock in Hamilton continues to age, there is a clear need for conservation and rehabilitation initiatives. According to the Census Canada, in 2001, there were approximately 14,400 dwelling units in the City of Hamilton in need of “major repair” which accounted for 7.7% of the total dwelling stock. In addition, there were a further 48,875 dwelling units in need of “minor repair”. In 2006, there were 14,425 dwelling units in the City of Hamilton in need of “major repair” and 53,160 dwelling units in need of “minor repair”. The number of dwellings in need of major repair has remained consistent between 2001 and 2006 at approximately 7% of all dwellings in Hamilton.

The request for the additional $2.5 million in RRAP Rental funding is based on the submissions for RRAP funding from landlords in the 2009-2010 fiscal year.

ALTERNATIVES FOR CONSIDERATION

Not applicable.

CORPORATE STRATEGIC PLAN  (Linkage to Desired End Results)


Skilled, Innovative & Respectful Organization

◆  More innovation, greater teamwork, better client focus.

◆  Sustainable Tri-party Government Agreement.

Intergovernmental Relationships

◆  Acquire greater share of Provincial and Federal grants (including those that meet specific needs).

Growing Our Economy

◆  Improved customer service.

APPENDICES / SCHEDULES

Appendix A to Report CS10090 – RRAP Budget Allocation and CMHC Agency Agreement
2010/2011 Budget Allocation

The following outlines the terms of the existing agency agreement between CMHC - Ontario Community Development Centre and City of Hamilton.

TERMS

A. RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

1. The delivery term is effective for the 2010/2011 fiscal delivery year will terminate on March 31, 2011.

2. The agent acknowledges and concurs with, that all RRAP approval packages to fully commit their budget allocations for the 2010/2011 delivery year are to be received in our office by September 30, 2010.

In the event the above date is not met, CMHC will consult with the current Delivery Agent prior to redistribution of those funds to Delivery Agents who have confirmed their need for additional Budget.

3. Delivery Strategies

   i) Delivery Agent must conform to the delivery strategy previously submitted as part of their proposal package to CMHC.

   ii) Delivery Agent must ensure that their responsible territory is serviced in a fair and equitable manner.

   iii) Any advertising must have prior CMHC approval.

4. The Delivery Agent acknowledges that all work items on the work description be completed, inspected, and documentation for advancing all loans be received by December 10, 2010.

Please note that although every effort should be made to close out all loans by December 10, 2010, CMHC can continue to process advances until March 31, 2011.
5. The Delivery Agent is in agreement with the amended Guidelines and Procedures as follows:

**RRAP**

a) The RRAP work must commence immediately following written approval & completed by the provided deadline date.

b) The RRAP work must be completed by the deadline provided on the approval letter.

c) Applications dealing with emergency health and safety problems are considered highest priority, and will be processed immediately.

d) For the purpose of this acknowledgement the Delivery Agent will also obtain an invoice with appropriate documentation from contractors, and forward it to the CMHC Office when requesting payment of RRAP funds. An acceptable invoice will include the contractors’ and all sub-contractors’ names and addresses, identification numbers (such as a Business number, GST Registration number, corporation number or Social Insurance Number), and the total amount of the contract payment. If an acceptable invoice is not collected and submitted, 15% of each advance on the RRAP loan will be withheld.

6. The Delivery Agent and CMHC agree that upon successful completion of the service by the agent, fees will be paid in accordance with the levels established under the most current program policies.

7. Any changes to the present Municipal structure should be reported to CMHC immediately.

8. The Delivery Agent must be available during core business hours.

9. CMHC has the right to cancel the Agency Agreement immediately, in the event that a proven conflict of interest exists.

10. Budget allocations and commitment information is outlined in this letter.

11. Operational Reviews will be completed by CMHC, once every three (3) years and Monitoring Reviews will be completed annually. Results will be reported to the Delivery Agent as soon as possible following completion.
B. RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM (RRAP)

Native Targets

The Residential Rehabilitation Assistance Program has a Native content percentage as set out in the annual provincial planning process. It is planned that $1.95 million or 6% of the budget will be delivered to Native clients. This targeted percentage is a planned figure only and should be recognized by the Delivery Agent as important in meeting the overall planning objectives of the program. Therefore, the Delivery Agent will give native applicants priority only until the target is met, and will process other applications from the waiting list on a first come, first served basis. Applications dealing with emergency health and safety problems are considered highest priority, and will be processed immediately.

C. EMERGENCY REPAIR PROGRAM (for Delivery Agents who agree to deliver this program)

a) The agent acknowledges and concurs with, that all ERP approval packages to be submitted to CMHC for commitment by September 30, 2010.

b) Repairs under the ERP program must be completed immediately following receipt of written approval and completed by provided deadline date.

**Failure to meet the above conditions may result in cancellation of the ERP loan.**

CMHC requires confirmation in writing by no later than September 30, 2010 to address the following items:

a) Whether there is a need for additional funding in RRAP/RRAP-D/ERP

OR

b) Whether the budget allocation will be surplus to your needs.

Please note that requirements for additional funding must be supported by:

- completed final applications on hand by program line,
- requests for additional funding can only be accommodated if there are surplus funds from other territories.
## CAPITAL BUDGET ALLOCATIONS

2010/2011 DELIVERY CAPITAL/FORGIVENESS DOLLAR Budget Allocation for:

<table>
<thead>
<tr>
<th>(City of Hamilton)</th>
<th>(Capital/Forgivable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRAP Homeowner</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>RRAP For Persons with Disabilities</td>
<td>$175,000.00</td>
</tr>
<tr>
<td>RRAP Rental</td>
<td>$700,000.00</td>
</tr>
<tr>
<td>RRAP Rooming House</td>
<td>$100,000.00</td>
</tr>
</tbody>
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Should additional Capital dollars be required, please notify our office.

Failure to meet any of the above criteria could result in reduction of allocations, re-testing, service of additional probation time or dismissal of the agent. This decision would be made at the discretion of CMHC upon review of the individual situation.

Per:________________________ Date:____________________

Per:________________________ Date:____________________

Per:________________________ Date:____________________

Lorella Sahakian  
Manager, Special Initiatives  
Ontario Community Development Centre