SUBJECT: Residential Rehabilitation Assistance Program (RRAP)- 2005/2006 Funding Allocation (SPH05057) (City Wide)

RECOMMENDATION:

(a) That the 2005/2006 Budget Allocation for the Residential Rehabilitation Assistance Program (RRAP) from Canada Mortgage and Housing Corporation (CMHC), as noted below and in the Supplemental Agreement attached as Appendix “A” to Report SPH05057, be received:

- Homeowner RRAP $450,000
- Disabled RRAP $400,000
- Rental/Rooming House RRAP $200,000

(b) That CMHC be requested to provide an additional $200,000 under the Homeowner RRAP to effectively respond to increased needs within the community; and,

(c) That the City of Hamilton continue its role of RRAP delivery agent for the 2005/2006 delivery year and the Mayor and City Clerk be hereby authorized and directed to execute the Supplemental Agreement attached as Appendix “A” to Report SPH05057 in a form satisfactory to Corporate Counsel.

Joe-Anne Priel
General Manager
Public Health and Community Services
EXECUTIVE SUMMARY:

The City of Hamilton is a delivery agent for Canada Mortgage and Housing Corporation for the Residential Rehabilitation Assistance Program (RRAP). RRAP offers financial assistance to low-income homeowners and owners of rooming houses and rental properties housing low-income tenants to improve substandard dwellings and make necessary repairs to make homes safe and healthier.

The City of Hamilton has successfully delivered the program for the past 31 years since the Federal Government first introduced RRAP in the mid-1970s. The City has provided rehabilitation assistance to over 4,500 homeowners during this period and more recently to rooming houses, lodging homes and private rental buildings.

CMHC recently announced the RRAP budget allocation for the 2005/2006 delivery year. In total, $1.05 million has been initially allocated to the City of Hamilton. Based on the evident need in the City of Hamilton, an additional $200,000 is being requested from CMHC for the Homeowner component of RRAP.


BACKGROUND:

The Residential Rehabilitation Assistance Program (RRAP) offers financial assistance to low-income homeowners and owners of rooming houses and rental properties housing low-income tenants to improve substandard dwellings and make necessary repairs to make homes safe and healthier. Canada Mortgage and Housing Corporation (CMHC) provides the funding and the City of Hamilton is a delivery agent of RRAP.

Approximately $1.35 million of RRAP monies was delivered to low-income Hamilton homeowners and owners of rental properties housing low-income tenants in 2004/2005. For the 2005/2006 delivery year, CMHC has allocated $1.05 million. Staff believes the $450,000 level of commitment provided for the Homeowner component of RRAP is inadequate and CMHC is being requested to provide an additional $200,000 to meet the needs in the community.

RRAP has been successfully utilized for the past 31 years in improving the housing conditions of low-income Hamilton homeowners and tenants. RRAP is an excellent program tool to build community partnerships to rehabilitate and extend the useful life of existing affordable housing and support the needs of our vulnerable population.

As the housing stock in Hamilton continues to age, there is a clear need for conservation and rehabilitation initiatives. According to the 2001 Census of Canada, there were approximately 14,400 dwelling units in the City of Hamilton in need of “major repair” which accounts for 7.7% of the total dwelling stock. In addition, there were a further 48,875 dwelling units in need of “minor repair”.

...
ANALYSIS/RATIONALE:

The delivery and implementation of the Residential Rehabilitation Assistance Program is an effective way of improving the quality and condition of the older housing stock in the City of Hamilton. With RRAP targeting lower and moderate income households, the financial assistance for home repairs also enhances the overall stability of the household and allows more elderly people to remain in their home for a longer period of time.

ALTERNATIVES FOR CONSIDERATION:

The alternative of not continuing with an agency relationship with CMHC could result in significantly reduced Federal Government funding in Hamilton. CMHC would have to make alternative arrangements with existing service agents outside the City or train and develop new local agents. It is very unlikely these alternative arrangements would have the capacity to deliver the 2005/2006 budget allocation of $1.05 million.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial - Under the Agency Agreement between the City and CMHC, the City will receive a delivery fee of $931 per unit for homeowner applications, and for multi-unit applications $931 for the first unit and an additional $112 per unit thereafter. These funds are used to cover the administrative aspects of the application processing.

Staffing – Current staffing levels in the Housing Branch of the Employment, Housing and Long-Term Care Division is sufficient to address the budget allocation from CMHC.

Legal – None.

POLICIES AFFECTING PROPOSAL:

None

RELEVANT CONSULTATION:

Housing Branch staff has consulted with CMHC staff on the extent of the 2005/2006 Budget Allocation and delivery fees.

CITY STRATEGIC COMMITMENT:

Delivery of RRAP supports the following goals of the City’s Strategic Plan:

1. A City of Growth and Opportunity
d) Attracting and Retaining Business
“Council will explore the best methods and quantity of resources necessary to attract and retain business.”

2. **A Great City in Which to Live**
   b) Supporting People in Need, with Care
   “Council will seek work with other levels of Government and the community to ensure that people in need are supported and cared for.”

3. **A Healthy, safe and Green City**
   i) Municipal Housing Program
   “Develop and implement a municipal affordable housing program.”

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

- Community Well-Being is enhanced: ☑ Yes ☐ No
  Partnerships are promoted.

- Environmental Well-Being is enhanced: ☐ Yes ☑ No
  Human health and safety are protected.

- Economic Well-Being is enhanced: ☑ Yes ☐ No
  Poverty is reduced.

**Does the option you are recommending create value across all three bottom lines?**
☑ Yes ☐ No

Yes

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**
☐ Yes ☑ No.