October 1, 2007

Mr. Kevin C. Christenson  
City Clerk  
City of Hamilton  
77 James St. N., Suite 220  
Hamilton, ON L8R 2K3

Dear Mr. Christenson:

Subject: Resolution Regarding Social Housing Financing

I am writing to advise that Regional Council approved the following resolution at its meeting held on September 13, 2007:

Whereas there is substantial proof that investment in Social Housing pays for itself through savings in many other public services;

And whereas, Social Housing contributes to economic development and environmental sustainability by providing affordable places to live for many key workers in proximity to their places of employment;

And whereas, lessons learned from past social housing programs, combined with the challenges of producing new social housing, have made it obvious that creating partnerships amongst all levels of government are imperative for new delivery and that upfront capital grants are preferable to open-ended operating subsidies;

And whereas, the largest component of current operating subsidies is the cost of mortgage debt retirement;

And whereas, there is substantial potential equity available in existing Social Housing assets, that is locked up by debt obligations and subsidy program restrictions;

And whereas, there is international experience in leveraging the asset value of Social Housing, including the "brutering" initiative in the Netherlands, which cancelled outstanding debts, cancelled ongoing operating subsidies, lessened ongoing program administration, and placed greater autonomy and responsibility with providers, and resulted in the use of existing assets to support both new development and rehabilitation;
And whereas, the Canada Mortgage and Housing Corporation has begun to generate financial surpluses which are forecast to grow, and the federal expenditures on social housing, including transfers to the Provinces, will be declining substantially, both of which give the federal government large capacity to protect its investments in social housing;

Therefore be it resolved, that the Federal and Provincial Governments be requested to seriously explore the successful international experience in leveraging the asset value of existing Social Housing, including the write off of outstanding mortgage debts and the reduction of ongoing operating subsidies, to foster greater provider accountability and to facilitate both new construction and ongoing maintenance;

And further, that a copy of this resolution be circulated for endorsement to all Municipal Service Managers and District Social Services Administration Boards (DSSAB).

Peel Regional Council is asking for endorsement of this Resolution, which should then be forwarded to both the Federal and Provincial Governments. The Resolution addresses Social Housing financing mechanisms, and not just the need for "grant" and "support", which is one reason why Council believes it should be considered at this time notwithstanding the Provincial/Municipal Fiscal Review process.

A copy of this Resolution has been sent separately to your Housing Leads to facilitate consideration.

Sincerely,

Charlotte Gravlev
Regional Clerk and Director of Clerk’s

:vm

c: Keith Ward, Commissioner of Human Services