

Report HDR-SS-01-15

To: Chair Burley and Members of the Social Services Committee
From: Anne Marie Shaw, Director of Housing
Meeting Date: January 14, 2015
Subject: **Draft 2015 Housing Budget Overview**
Status: Recommendation adopted by Committee as presented and housing budget forwarded to Council as presented per Resolution SSC18-15; Endorsed by Council February 3, 2015 per Resolution CC33-15;

Recommendation(s)

THAT report HDR-SS-01-15 regarding the Draft 2015 Housing Budget be received:

AND THAT the 2015 Housing Budget as presented/amended be forwarded to County Council for its consideration.

Background

The Social Services Committee is responsible to oversee the budgets for Grey County Housing, Non Profit Housing and the Investment in Affordable Housing Program budgets.

The overall net budget for Housing operating and capital combined totals is \$6,562,307 and requires a net levy increase of \$278,920 or a 4.4% increase over the 2014 budget. This reflects a 0.54% increase to the corporate net levy requirement for 2015.

Grey County Housing Operating

The proposed operating costs for Grey County Housing has a proposed net levy increase of \$157,708.

The 2015 budget lines for Wages and benefits reflect a 2% wage increase, along with merit and estimated benefit increases and the increases as a result of the compensation review that was completed in 2014 for non union employees.

Contracted services budget line has increased due to the cost of rehabilitating units at vacancy. Often floors, bathrooms and cupboards are in need of repair or replacement. An operating budget of \$178,400 has been in place for the past number of years and is insufficient to cover costs. The budget line has a proposed increase of \$60,200 to cover increasing costs of contracted services, a higher turnover rate the past few years and aging buildings in need of repair. The painting budget line has also increased by \$9,500.

Estimated hydro, gas and water costs have increased by \$53,340 for 2015 and the cost of testing and maintenance of our emergency life safety systems has increased \$9,100 for 2015 as emergency systems and alarms are now tested every six months as opposed to once a year.

It is anticipated there will be a decrease in tenant revenue again for 2015 of about \$9,400. This is a provincial trend and represents a changing profile of our tenants. As more seniors move out they are often replaced with tenants receiving Ontario Works or Ontario Disability Support. These two provincial programs pay rent based on a scale and the result is less rent paid for the unit.

Grey County Capital

The proposed capital budget for 2014 has an increase of \$61,292 over the 2014 budget. Capital projects include a number of energy efficiency repairs and replacements such as insulation upgrades, window and door replacements and roof repair and replacements. Energy efficiency rebate programs such as Ecofit are being used to reduce capital budget costs.

The high rise at 305 14th Street West has a three year project which includes roof repairs and the recladding of the brick on all sides of the building. The building has issues with water penetration through the building envelope. The project is being phased over three years due to cost, time constraints due to weather and the set up and tear down on scaffolding. The areas with the most damage are being prioritized. Roof repairs will have a 25 year warranty with 35 year life expectancy. Siding installation will have 25 year warranty with 30 year life expectancy.

As of July 2015 all family units and areas around the mechanical rooms in apartment buildings require a Carbon Monoxide Detector. The cost of approximately \$10,000 will be taken from housing reserve. Based on building condition assessments and staff input, the capital program is developed. The budget includes the use of reserve funds in order to complete 2014 projects that were carried forward to 2015 as well as maintain the buildings without creating a large impact in the levy requirement.

Non Profit Housing

The 2015 Non Profit Housing budget has a proposed increase of \$59,920. The Non Profit budget consists of funds provided from the County of Grey to meet the legislative requirements from the Province for the operating and capital needs of these housing providers. The Province determines annual increases for the non profit housing providers in areas such as administration, insurance, utilities and rent subsidies. Non Profit providers have also experienced similar decreases in rent revenues which increases the amount of subsidy needed to meet their operating costs.

Non Profit Increases for 2015

Operating Cost	% Increase for 2015
Administration	2.9%
Insurance	9%
Electricity	8.1%
Water	6.8%
Gas	39.4%
Capital Reserve	2.9%

Investment in Affordable Housing Program

The Investment in Affordable Housing (IAH) Program is 100% funded by the Province. A total allocation of \$908,600 was received for 2015. The IAH program provides funding for the Rent Supplement, Homeownership, Ontario Renovates and Affordable Housing Build Program and five percent of the allocation for administration. The funding was recently announced and a program delivery plan will be presented at a later date. Estimates for the programs are provided in the budget attachment.

Financial / Staffing / Legal / Information Technology

Considerations

The Housing budget as proposed will require a levy increase of \$278,920 or a 4.44% increase over the 2014 budget.

There are no legal or information technology considerations in this budget.

Link to Strategic Goals / Priorities

Communication, planning and fiscal responsibility are all values of Grey County’s strategic plan. Budget reports provide information to council as to areas that impact the

budget. Budgets also provide tools to remain fiscally responsible and financially sustainable while maintaining service levels and meeting community needs.

Attachments

[Attachment to HDR-SS-01-15 Housing Draft Budget January 14, 2015](#)

Respectfully submitted by,

Anne Marie Shaw
Director of Housing