

Report HDR-SS-18-15

To: Chair Burley and Members of the Social Services Committee
From: Anne Marie Shaw, Director of Housing
Meeting Date: September 24, 2015 / October 14, 2015
Subject: **Draft 2016 Housing Budget Overview**
Status: Report deferred to October 14, 2015 meeting per Resolution SSC82-15; Recommendation adopted by Committee as amended on October 14, 2015 per Resolution SSC89-15; Endorsed by County Council per Resolution CC150-15 November 3, 2015;

Recommendation(s)

THAT report HDR-SS-18-15 regarding the Draft 2016 Housing Budget be received:

AND THAT the 2016 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 \$6,940,579 and requires a net levy increase of \$373,624 or a 5.69% increase over the 2015 budget. This reflects a 0.73% increase to the corporate net levy requirement for 2016.

Grey County Housing Operating

The proposed operating costs for Grey County Housing has a proposed net levy increase of \$262,102

The 2016 budget lines for Wages and Benefits reflect a 2% wage increase and staff increases according to the wage grid. The housing department has 10 employees in new positions or new to Grey County that are moving on the grid in 2016.

Estimated hydro costs are a \$27,360 increase over the 2015 budget and the cost of testing and maintenance of our emergency life safety systems has increased \$9,300 for 2016 as carbon monoxide detectors are now mandatory for all of our buildings and family units as of the fall 2015.

Computer maintenance and support line has the addition of a one-time investment in an information system for social housing in Ontario. This software has been developed by a core group of service managers from across Ontario. The software will support program administration, provincial reporting, subsidy estimation and forecasting for non profit providers, wait list coordination and rent supplement. There are plans for future development in asset management, property management and the Investment in Affordable Housing program. The initial cost to purchase the software is approximately \$27,620. The province is suggesting there will be a 50% to 100% rebate for smaller service managers but no details are available at this time; as a result, if funds are not received from the province the cost has been shown as funded from the One Time Funding Reserve. There will be an annual maintenance fee of \$10 per social housing unit.

It is anticipated there will be an estimated decrease in tenant revenue again for 2016 of about \$27,700. This is a provincial trend and represents a changing profile of our tenants. The County of Grey will also receive \$170,079 less in federal funding. Federal funding is provided to offset the cost of social housing and non profit housing. Federal funding will continue to decrease over time as most of the social housing portion of the funding is provided to cover the cost of debenture payments on properties.

Grey County Capital

The proposed capital budget for 2015 has an increase of \$59,695 over the 2015 budget. Capital projects over the next few years will focus on energy efficiencies and savings. There are a number of programs available until 2018 for social housing units through Ecofit and other rebate programs. In 2015 and 2016 all family units are being insulated at no cost through the Ecofit program. With the free work completed to date Grey County can save a potential of 47,899m³ of gas each year.

Other projects include a two year project at 305 14th Street West, Owen Sound for roof repairs and the recladding of the brick on all sides of the building, a regeneration scan of 172 family units included in the budget for consulting fees, window replacements, air make up system replacements and water treatment plant upgrade and pipe replacement to meet legislative requirements.

A reoccurring line for bath and kitchen replacements at our family housing has been moved from general repairs in the operating budget to capital. At move out a number of our units are in need of rebuilds of the kitchen and bathroom due to the age of the buildings and that some families have lived in the units for more than 20 years. This line will provide better tracking of costs associated with move out repairs for family units and allow planning for future costs. A list of the 2016 capital projects is included in the budget package. Please refer to report HDR-SS-13-15 Housing Department 2016-2020 Draft Five Year Capital Budget for more information on the five year capital budget.

Non Profit Housing

The 2016 Non Profit Housing budget has a proposed increase of \$51,203. 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 2016

Operating Cost	% Increase for 2016
Administration	1.0%
Insurance	14.7%
Electricity	7.2%
Water	6.6%
Gas	-16.8%
Capital Reserve	1.0%

Investment in Affordable Housing Program

The Investment in Affordable Housing (IAH) Program is 100% funded by the Province. A total allocation of \$1,064,000 was received for 2016. 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.

Financial / Staffing / Legal / Information Technology Considerations

The Housing budget as proposed will require a levy increase of \$373,624 or a 5.69% increase over the 2015 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-18-15 2016 Housing Draft Budget September 24, 2015

Respectfully submitted by,

Anne Marie Shaw
Director of Housing