

## Report HDR-SS-16-16

**To:** Chair Burley and Members of the Social Services Committee  
**From:** Anne Marie Shaw, Director of Housing  
**Meeting Date:** September 29, 2016  
**Subject:** **Draft 2017 Housing Budget Overview**  
**Status:** Report deferred to October 12, 2016 meeting per Resolution SSC72-16; Recommendation adopted by Committee as presented per Resolution SSC80-16; Endorsed by County Council November 1, 2016 per Resolution CC137-16;

### Recommendation(s)

**THAT report HDR-SS-16-16 regarding the Draft 2017 Housing Budget be received:**

**AND THAT the 2017 Housing Budget as presented 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, Investment in Affordable Housing Program and Social Infrastructure Program budgets.

The overall net budget for housing operating and capital combined totals is \$7,218,406 and requires a net levy increase of \$292,830 or a 4.23% increase over the 2016 budget. This reflects a 0.55% increase to the corporate net levy requirement for 2017.

#### *Grey County Housing Operating*

The proposed operating costs for Grey County Housing have a proposed net levy increase of \$230,150.

The 2017 budget lines for Wages and Benefits reflect a 1.63% 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 2017.

There are two factors having a significant impact on the 2017 Housing Department budget, the estimated cost of hydro and a decrease in the federal conditional grant. Estimated utility costs are a \$72,100 increase over the 2016 budget and the federal conditional grant decreased at a higher rate than the offsetting decrease in debenture

payments resulting in \$98,860 less in federal funding for the 2017 budget. Federal funding will continue to decrease over time. Federal funding is provided to offset the cost of social housing and non-profit housing. These two items total \$170,960 or approximately 74% of the draft proposed operating budget increase for housing.

The 2017 budget contains security for the highrise building which houses 187 units at a cost of \$10,800 for the year. This is due to changing clientele and the need for services after hours. Pest control has increased \$2,500 as there has been an increase in bedbugs at a few of our buildings. There is also an increase in equipment and cellular services of \$6,920 as housing and IT work together to provide internet services and printers to our buildings for custodial staff and tenants. This will save funding in the long term for delivering 24 hour notices, allow our cameras to be centralized at the administration building and provide opportunities for tenants by having access to the internet.

To offset the above costs housing has reduced waste removal \$3,900 by reducing the number of bins at buildings and changing processes so that one contractor was eliminated. Coverage for vacations at buildings has been reduced by \$9,345 as custodians on vacation are now replaced for 3 out of 5 days. General contracted services and plumbing repairs have been reduced by \$6,000 as more custodians are now doing minor plumbing and general repairs. It is hoped we will see more savings in these two budget lines in the future.

It is anticipated there will be an estimated increase in tenant revenue for 2017 of about \$7,960. There is also an estimated increase to property taxes of \$27,356.

### *Grey County Capital*

The proposed capital budget for 2017 has an increase of \$62,680 over the 2016 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. There are a number of buildings that require new windows. The windows are past their life span and are not energy efficient. The windows are being replaced with new energy star rated windows with the projects funded from Federal Gas Tax funding. This will increase the energy efficiency of the buildings and reduce operating costs. Windows have a 25 year life span and come with a warranty.

The windows at Alpha Street are part of our revitalization project to restore and sustain the 68 building family complex. This project builds on the 2016 work of insulation, waterproofing, new and extended back patios, new enclosures and landscaping.

Replacement of asphalt is needed at two buildings. At Legion Road in Meaford, the asphalt has started to crack and has uneven surfaces. Replacement will decrease slips and falls. The asphalt at Argyle Street in Markdale also needs replacement and the

retaining wall need to be replaced due to rotting wood because of age and movement of the soil.

Our Flesherton building houses 10 units and is in need of a new roof. The current roof is a built up flat roof system and is over 15 years old and is leaking. Plans are to build a peak on to the roof if possible and replace with a steel roof. This will increase the life span of the roof and is a more cost effective solution for the future.

The remaining projects are identified as projects past their life span and in need of replacement. Projects include a water pipe replacement, ceiling and lighting replacement with asbestos abatement, flooring, and bath rebuilds. Please refer to the final page of the 2017 Draft Housing Budget for a listing of proposed projects or to Report HDR-SS-06-16 Draft Five Year Capital Forecast for more information on the five year capital budget.

### *Non Profit Housing*

The 2017 Non Profit Housing budget has a proposed decrease of \$23,144 due to mortgage changes and lower interest rates. 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.

### *Investment in Affordable Housing Program (IAH)*

The Investment in Affordable Housing (IAH) Program is 100% funded by the Province. A total allocation of \$907,400 was received for 2017 with an additional \$450,000 for a Rental Housing build to be received in 2016 and \$156,000 in Rent Supplement funding available for use; this provides a total of \$1,513,400 for use in the 2017 budget. 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.

### *Social Infrastructure Funding (SIF)*

This new program includes additional funding for the programs in the IAH program and funding for the Social Housing Improvement Program (SHIP). In 2017 Grey County will receive \$754,500 in additional SIF funding. When this is added to funds to be received in late 2016, \$1,782,600 has been included in the budget; this provides \$1,600,000 for use for an affordable housing build. This program also provides administration funding; \$74,215 has been used to offset the cost of an additional technical supervisor position with the remainder funded from a staffing change. This additional position was approved in Report HDR-SS-09-16. The 2017 funding allotment for SHIP has not yet

been determined by the Province; however it is anticipated that approximately \$653,640 will be remaining from 2016 funds and has been included for use in the 2017 budget.

## Financial / Staffing / Legal / Information Technology Considerations

The Housing budget as proposed will require a levy increase of \$292,830 or a 4.23% increase over the 2016 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-16-16 2017 Housing Draft Budget September 29, 2016

Respectfully submitted by,

Anne Marie Shaw  
Director of Housing