

Supplementary Budget – Briefing Note

2020 Budget

Ontario Priority Housing Initiative – Year One

Briefing Note required for:
-items >\$50,000

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CHS	Housing Services	Affordable Housing	Ontario Priority Housing Initiative (OPHI) – new Rental & Supportive Housing Year 1	S	\$752,210	
CHS	Housing Services	Affordable Housing	Transfer to Social Housing Investment in Affordable Housing Reserve	S	\$39,590	
			Subtotal		\$791,800	
CHS	Housing Services	Affordable Housing	OPHI Funding Year 1	S	(\$752,210)	
CHS	Housing Services	Affordable Housing	OPHI – Admin Funding – Year 1	S	(\$39,590)	
			Subtotal		(\$791,800)	
			Total		\$0	

Background:

At the June 24/19 regular meeting, Council approved the recommendations of the Director of Housing June 10/19 Report to Council, authorizing the execution of the Ontario Transfer Payment Agreement (TPA) and approving the proposed Investment Plan. This included using the Year 1 funding allocation for creating new affordable housing rental & supportive units, and 5% of the Program funding (maximum) towards administration costs.

Comment:

RFP R19-330 for Developing Affordable Housing – OPHI and Municipal Affordable Housing Funding Programs was issued July 22, 2019 on the bidsandtenders.ca website and closed on September 4, 2019. See attached Report to Council dated October 1, 2019.

Municipality Of Chatham-Kent

Community Human Services

Housing Services

To: Mayor and Members of Council

From: Shelley Wilkins, Director, Housing Services

Date: June 10, 2019

Subject: Ontario Transfer Payment Agreement for
Canada-Ontario Community Housing Initiative (COCHI) &
Ontario Priorities Housing Initiative (OPHI) and Municipal Contributions

Recommendations

1. That the Director, Housing Services and the General Manager, Community Human Services be authorized to execute the Ontario Transfer Payment Agreement (TPA) with Her Majesty the Queen in right of Ontario as represented by the Minister of Municipal Affairs and Housing for the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI).
2. That the Director, Housing Services be authorized to submit the proposed Investment Plan for COCHI and OPHI (Schedule H of the TPA), attached hereto as Appendix 1 and hereby endorsed by Council; and further that the Director is hereby authorized to alter said Investment Plan as necessary to maximize funding opportunities for the Municipality of Chatham-Kent.
3. That the Director, Housing Services be authorized to issue a Request For Proposal (RFP) for the development of more affordable housing in the Municipality of Chatham-Kent, using IAHE Year 6 funding (\$358,297), OPHI Year 1 funding (\$461,670), and available 2019 municipal budget for affordable housing (\$228,832), for a total of up to \$1,048,799, all of which is to be committed by Contribution Agreement by December 31, 2019.
4. That the Director, Housing Services be authorized to add \$1,051,201 of municipal funding to the RFP for the development of more affordable housing in the Municipality of Chatham-Kent, drawing these additional funds from the Social Housing Operations Reserve, and bringing the total funding for additional affordable housing in the Municipality of Chatham-Kent to a grand total of \$2.1 million, all of which is to be committed by Contribution Agreement by no later than December 31, 2019.

Background

At the May 27, 2019 regular meeting, Council received a May 7, 2019 Information Report from the Directors of Housing Services and the Director of Employment and Social Services on the Ontario Community Housing Renewal Strategy and Funding Allocations Announced. In the Financial Implications section of the report on Housing Program Funding (page 4), the Director, Housing

Services had indicated draft proposed use of the funding allocations for 2019-20, 2020-21 and 2021-22.¹

Comments

On May 17, 2019, the Ministry of Municipal Affairs and Housing (MMAH) convened a teleconference meeting with Service Manager staff to review the new COCHI & OPHI program guidelines. During this meeting, MMAH clarified that while COCHI funding is being provided to offset the decrease in federal Social Housing Agreement (SHA) funding expiring each year, beginning 2019-20, it cannot simply be used to fund existing funding commitments. Instead, it must be used for new projects or programs. Hence, the Investment Plan being proposed differs from what was proposed in the previous (May 7, 2019) Information Report to Council.

Further, upon reviewing the dire need for additional affordable housing and the declining number of eligible applications for affordable home ownership and CK Renovates, staff involved in the delivery of these programs agreed to concentrate as much funding as possible towards new affordable housing units, achieving this by:

- a) Limiting the Affordable Home Ownership program funding to what is available from the municipal Affordable Home Ownership Revolving Fund post June 5, 2019. To date, we are committed to assisting seven households with their resale home purchase, including one new build for Habitat for Humanity in Chatham. Homes purchased with financial assistance under this program are required to repay the outstanding portion of the loan not yet forgiven (forgiven at a rate of 1/20th per year) plus a proportionate share of any capital gain/less a proportionate share of any capital loss. These funds can only be used for this program.²
- b) Limiting the Ontario Renovates program funding to what is available from the municipal Ontario Renovates Revolving Fund. Homes that received financial assistance to make repairs and/or energy efficiency improvements under this program are required to repay the outstanding portion of the loan not yet forgiven (forgiven at a rate of 1/10th per year). Grants of up to \$5,000 for accessibility improvements are not subject to repayment rules. These funds can only be used for this program.
- c) Expanding the CK Renovates Program parameters to be consistent with the 2019 Ontario Renovates program parameters, while still allowing grants of up to \$7,500 for accessibility improvements and emergency repairs which are not subject to repayment rules. In addition, asset limits will be maintained. Previously, CK Renovates was specifically geared towards low-income households only. This change will mean that low- to moderate-income households will qualify for assistance.
- d) Reallocating 2019-20 Investment in Affordable Housing Extension (2014) (IAHE) funding for Home Ownership (partially) and Ontario Renovates (entirely) to New Rental Housing.
- e) Allocating 2020-21 and 2021-22 OPHI funding to Housing Allowance (maintaining our current level of funding) and New Rental Housing instead of allocating funding to the Affordable Home Ownership (except for \$10,000 for Habitat for Humanity Chatham-Kent in 2021) and Ontario

¹ [Ontario Community Housing Renewal Strategy and Funding Allocations Announced](#) (May 7, 2019), by Shelley Wilkins, Director Housing Services and Polly Smith, Director, Employment and Social Services, at the May 27, 2019 regular meeting of the Council of the Municipality of Chatham-Kent.

² The Program Manager, Housing Services consulted with Habitat for Humanity Canada – Chatham-Kent and confirmed that there are plans to build two homes every three years. Administration plans to continue to support each build with the Home Ownership program that is currently capped at \$10,000 per home.

Renovates programs. It is intended that these funds would be coupled with the municipal base budget allocation for new affordable housing and any additional, or supplementary funding that Council is able to allocate to this community need.

- f) Asking Council to draw just over \$1 million from the Social Housing Operations Reserve to significantly increase the amount of funding used to increase the number of affordable housing units in Chatham-Kent. This would put the total RFP amount at \$2.1 million.

The need for affordable housing in Chatham-Kent has significantly grown in recent years. The Director will be seeking proposals for (1) Transitional Housing for Youth (2) One bedroom units in Chatham (3) Seniors Housing. In all cases, proponents will need to include partnerships with supportive service providers for at least a portion of their units to be targeted for specific sub-populations such as the chronically homeless, mental health, addictions, life skills for youth, persons with disabilities, seniors, indigenous, LGBTQ2S, persons transitioning from protective services, justice system, etc. We also want to help our lower acuity persons on our wait lists who simply need a more affordable place to live.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

The Director, Housing Services consulted with the Manager, Housing Assets North; Manager, Housing Assets South; Program Manager, Housing Services; Program Manager, Homelessness

Prevention, Employment and Social Services; and the Director, Employment and Social Services on the best use of the funding allocations.

The Program Manager, Housing Services, consulted with Habitat for Humanity Canada–Chatham-Kent on their planned builds for April 2019 to March 2022 and expected requests for Affordable Home Ownership funding and was advised to expect another request in 2021.

The Chatham-Kent Housing and Homelessness Committee members have shared the needs of their respective clients and the dire need for more affordable housing in the community. On June 5, 2019, the Committee hosted a workshop for local stakeholders at Club Lentina's to review the progress of and to update Chatham-Kent's 10 Year Community Housing and Homelessness Plan. Over 60 community leaders attended and the number one priority shared was the need for more affordable housing.

The Chatham-Kent Prosperity Roundtable hosted the Big Gathering on Poverty Reduction in Chatham on May 28th and 29th, 2019 which the Director, Housing Services attended and assisted with facilitation. This day-and-a-half event culminated in action-related tables, one of which was affordable housing. Over 100 community leaders attended, and there was a resounding demand for more affordable housing in Chatham-Kent as being key to ending poverty in our community.

A Financial Analyst I has reviewed the financial implications for the social housing operations reserve fund.

Financial Implications

1. Investment in Affordable Housing Extension Program

Proposed changes to the previously approved Program Delivery and Financial Plan (PDFP) for Year 6 (2019-20) of the Investment in Affordable Housing Program Extension (2014) (IAHE):

IAHE Program	Year 6 (2019-20) Approved PDFP	Recommended Year 6 (2019-20) Revision
New Rental Housing	\$0	\$358,297
Home Ownership	\$146,000	\$66,303
Ontario Renovates	\$278,600	\$0
Housing Allowance	\$135,000	\$135,000
Total IAHE Funding	\$559,600	\$559,600

Currently, at May 31, 2019, the Revolving Loan Funds for (a) Affordable Home Ownership is at \$25,200. At 2019 capped assistance rates of \$10,000 per home purchase, Housing Services estimates being able to assist an additional 2 to 3 households purchase a resale home; and (b) Ontario Renovates is at \$261,031. At capped assistance rates of \$5,000 grants for accessibility improvements and \$25,000 per home total repairs and energy efficiency improvements, Housing Services estimates being able to assist another 15 households.

Currently, the CK Renovates fund is at \$251,000 (as of May 31, 2019). With increasing program parameters to the Ontario Renovates level, it is anticipated that Housing Services and/or Employment and Social Services will be able to assist about 30 homeowners to make necessary repairs, energy efficiency improvements, and/or accessibility improvements in 2019. Administration anticipates asking Council to extend the current annual funding of \$300,000 from the Ontario Works corporate initiatives reserve fund for the 2020 – 2022 annual municipal budgets.

Investment Plan – COCHI and OPHI

a) Canada-Ontario Community Housing Initiative (COCHI)

This is new funding to replace diminishing federal funding for social housing as public housing debentures, rent supplement agreements, and private non-profit mortgages expire. MMAH has clarified that this funding must be used for **new** affordability supports to tenants.

Program	2019-20 Confirmed Allocation	2020-21 Planning Allocation	2021-22 Planning Allocation
COCHI	\$20,912	\$16,264	\$143,859
Admin Funding (5%)	\$1,100	\$855	\$7,572
Total COCHI Funding	\$22,012	\$17,119	\$151,431
CK Municipal Public Housing Projects – Proposed Use of Funding	Make-up Air Unit upgrades at 99 McNaughton Ave W, Chatham	Make-up Air Unit upgrades at 18 Canal St E, Tilbury	Flat roof replacement at 109 Park St, Wallaceburg

b) Ontario Priorities Housing Initiative (OPHI)

This is new funding to replace the IAHE funding program. As indicated above, besides maintaining the current Housing Allowance commitment under IAHE, it is proposed that funding be focused on efforts to increase the number of affordable housing units in the community. One exception made, is to plan to assist Habitat for Humanity Chatham-Kent with their projected 2021 next build; \$10,000 has been allocated under the Home Ownership stream.

Program	2019-20 Confirmed Allocation	2020-21 Planning Allocation	2021-22 Planning Allocation
New Rental Housing	\$752,210	\$254,690	\$461,670
Home Ownership	\$0	\$0	\$10,000
Ontario Renovates	\$0	\$0	\$0
Housing Allowance	IAHE above	\$135,000	\$135,000
Admin Funding (5%)	\$39,590	\$20,510	\$31,930
Total OPHI Funding	\$791,800	\$410,200	\$638,600

Municipal Contributions to Affordable Housing in 2019:

- a. Approved 2019 supplementary budget: \$ 228,832
- b. Draw from Social Housing Operations Reserve: \$1,051,201
- c. Total Municipal Contribution \$1,280,033

The Social Housing Operations Reserve was in excess of \$5.4 million as at December 31, 2018, with additional draws previously approved totaling up to \$409,280. Hence, if the above draw is approved the remaining balance for this reserve fund will be in excess of \$4.0 million.

Prepared by:

Shelley Wilkins, BPA
Director, Housing Services

Reviewed by:

April Rietdyk, RN, BScN, MHS, PHD PUBH
General Manager
Community Human Services

Consulted and confirmed the content of the consultation section of the report by:

Brandon Bechard, B.Arch.Sc., CET
Manager, Housing Assets North, IES

Chantal Perry, BA
Program Manager,
Employment & Social Services, CHS

Alain Sasseville, CET
Manager, Housing Assets South, IES

Polly Smith, BA, Dipl.M.M.
Director
Employment & Social Services, CHS

Hayley Wilbur, CPA, CGA
Financial Analyst I
Financial Services, FBIS

Attachment: Appendix 1 - Investment Plan for COCHI & OPHI

C:
Chatham-Kent Housing & Homelessness Committee
Chatham-Kent Prosperity Roundtable
Tim Dick, Director, Drainage, Assets, Waste Management, IES
Thomas Kelly, General Manager, Infrastructure & Environmental Services

Municipality Of Chatham-Kent

Community Human Services

Housing Services

To: Mayor and Members of Council

From: Shelley Wilkins, Director, Housing Services

Date: October 1, 2019

Subject: Results of Request for Proposals #R19-330 for Developing Affordable Housing – Ontario Priority Housing Initiative & Municipal Affordable Housing Funding Programs – Award Recommendations

Recommendations

It is recommended that:

1. Villaview Community Corporation's proposal to construct a single story 13-unit new build addition of a mixed portfolio of affordable and market rent units on their property 45 Margaret Street South, attaching to the social housing project of Corporal Harry Miner V.C. (Ont. 185) Senior Citizens Corporation at 330 Catherine St., Blenheim, ON for funding under the Ontario Priorities Housing Initiative (OPHI) Year 1 program, at a total of \$752,210 (or \$107,458.57 per affordable unit) be endorsed to the Ministry of Municipal Affairs and Housing (MMAH), and an allocation of \$52,790 (or \$7,541.43 per affordable unit) from the municipal affordable housing reserve be approved, subject to MMAH approval of the OPHI year funding request.
2. The Mayor and Municipal Clerk be authorized to execute the Ontario Priority Housing Initiative, Rental Housing Component and Municipal Affordable Housing Program Contribution Agreement with Villaview Community Corporation to construct a 13-unit addition to existing social housing project located at 330 Catherine St., Blenheim, subject to the funding approval of MMAH and the project meeting zoning and building site requirements.
3. The Director of Housing Services, as the designated Service Manager representative, be authorized to issue Service Manager Consent to Corporal Harry Miner V.C. (Ont. 185) Senior Citizens Corporation to permit the necessary encroachment to allow this 13-unit new build to be constructed as an addition to their social housing project that is subject to the Housing Services Act, 2011 at 330 Catherine St., Blenheim, ON.
4. The required project-specific Municipal Capital Facilities By-law be brought before Council, subject to MMAH funding for said project having been approved.

Background

At the December 10, 2012 regular meeting, Council authorized Corporal Harry Miner V.C.³ (ONT-185) Senior Citizens (i.e., Legion Villa) to purchase the property at 45 Margaret Street South,

³ V.C. stands for Victoria Cross, awarded to Corporal Harry Miner for acts of valour in the First World War.

Blenheim using its Operating Reserve Fund surplus. One of the conditions stipulated was that the Board of Legion Villa establish a separate and distinct entity for the purpose of owning, maintaining and developing it for affordable housing purposes at some point in the future, if/when circumstances permit.

The Board did established the Villaview Community Corporation, which owns the property at 45 Margaret Street South, Blenheim.

At the June 24, 2019 regular meeting, Council authorized the execution of the Ontario Transfer Payment Agreement with the Province for the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) and submission of the Investment Plan proposed in the report. Council also authorized the Director, Housing Services to issue a Request For Proposal (RFP) for the development of more affordable housing, using Investment in Affordable Housing Extension (IAHE) Year 6 funding (\$358,297), OPHI Year 1 funding (\$752,210), and municipal affordable housing funding totaling up to \$1,280,033, for a grand total of up to \$2,390,540.⁴ The municipal portion includes \$228,832 from the 2019 supplementary municipal budget transferred to the affordable housing reserve⁵ and the balance of \$1,051,201 from the Social Housing Operations Reserve.

A separate report is being issued for the IAHE Year 6 funding and its associated RFP.

Comments

RFP #R19-330 was issued on July 22, 2019 on the bidsandtenders.ca website and closed on September 4, 2019. A respondent's information meeting was held July 31. A single proposal was received and after review the Director, Housing Services deemed it eligible, being compliant with the RFP bid requirements.

The proponent is seeking funding to build a single story 13-unit addition to the existing social housing project known as the Legion Villa. It has 35 units: 25 one bedroom and 10 two bedroom units, with a Target of 17 rent-geared-to-income units and 18 market rent units. The 13-unit addition proposed includes seven one bedroom affordable units, five one-bedroom market units, and one two-bedroom market unit.

The proponent is requesting a total of \$805,000 in funding for the seven affordable units, or \$115,000 per affordable unit. This amount is below the cap of \$125,000 per affordable housing unit.

The proponent submitted its application for Consent to Sever and Zoning By-law Amendment on September 5, 2019. Planning Services has indicated that these applications are anticipated to be before Council at the November 4, 2019 meeting.

The Director, Housing Services will submit a draft Contribution Agreement to Legal Services for review and approval prior to issuing to the proponent for execution.

Areas of Strategic Focus and Critical Success Factors

⁴ The June 10, 2019 Report to Council incorrectly noted the federal-provincial OPHI Year 1 funding amount. It has been corrected in this report. Where the OPHI amount was tallied with other totals in the June 10, 2019 Report, those figures have also been corrected in this report.

⁵ The June 10, 2019 Report to Council indicated the funds would be from the affordable housing budget and should have stated it would be from the Affordable Housing Reserve.

The recommendations in this report support the following areas of strategic focus:

Economic Prosperity:

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Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

Due to receiving a single proposal in response to this RFP, an Evaluation Panel was not required.

A Financial Analyst I has reviewed the financial implications section of this report for accuracy.

The Manager, Planning Services confirmed the planning applications status for the properties in question.

The Manager, Legal Services has committed to reviewing the Contribution Agreement drafted by Housing Services.

Financial Implications

OPHI Year 1 Funding allocated to new builds:	(\$752,210)
Transfer from Affordable Housing Reserve	(\$ 52,790)
Villaview Community Corporation – New Build:	<u>\$805,000</u>
	\$ 0

Prepared by:

Shelley Wilkins, BPA
Director, Housing Services

Reviewed by:

April Rietdyk, RN, BScN, MHS, PHD PUBH
General Manager
Community Human Services

Consulted and confirmed the content of the consultation section of the report by:

Hayley Wilbur, CPA, CGA
Financial Analyst I
Financial Services, FBIS

Ryan Jacques
Manager, Planning Services

Dave Taylor
Manager, Legal Services

Attachment: None