

## Supplementary Budget – Briefing Note

2022 Budget

TPA COCHI Year 4

**Briefing Note required for:**

- items +/- \$50,000 or more
- changes in FTE
- Council Priority requests

Dept	Division	Item	Base Supp	Amount	FTE Impact
CHS	Housing Services	Transfer Payment Agreement – Canada-Ontario Community Housing Initiative (COCHI) – Funding New Build - Rental & Supportive Year 4	S	\$544,512	
CHS	Housing Services	COCHI – Admin Funding – Year 4 transfer to CK Affordable Housing Reserve - 17315	S	\$28,658	
CHS	Housing Services	Provincial and Federal Funding – Year 4	S	(\$573,170)	
		<b>Total:</b>		<b>\$0</b>	

**Background:**

At the June 24, 2019 regular Council meeting, Council approved the recommendations of the Director of Housing June 10, 2019 report to Council, authorizing the execution of the Ontario Transfer Payment Agreement (TPA) and approving the proposed Investment Plan. This included using the Year 1-3 funding allocation for creating new affordable housing rental and supportive units; 5% of the Program funding (maximum) towards administration costs; and continuing Shared Delivery of Housing Allowances for about 50 households. The above Year 4 funding is recommended to be used in the same manner as the Year 1-3 funding per the above mentioned RTC.

**Comment:**

Administration funding transferred to the CK Affordable Housing Reserve is used to offset part of the cost of one permanent full-time Grade 6.6 non-union position, the Housing Claims Analyst, to assist in delivery of the affordable housing programs.

A Request For Proposals (RFP) for new Rental and Supportive housing units will be issued post approval of the 2022 budget for the federal-provincial funding of \$544,512, plus available municipal affordable housing funds.

## **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

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#### **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.<sup>1</sup>

## **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 1/20<sup>th</sup> 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.<sup>2</sup>
- 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 1/10<sup>th</sup> 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

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<sup>1</sup> [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.

<sup>2</sup> 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 28<sup>th</sup> and 29<sup>th</sup>, 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):

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

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.

<b>Program</b>	<b>2019-20 Confirmed Allocation</b>	<b>2020-21 Planning Allocation</b>	<b>2021-22 Planning Allocation</b>
<b>COCHI</b>	\$20,912	\$16,264	\$143,859
<b>Admin Funding (5%)</b>	\$1,100	\$855	\$7,572
<b>Total COCHI Funding</b>	<b>\$22,012</b>	<b>\$17,119</b>	<b>\$151,431</b>
<b>CK Municipal Public Housing Projects – Proposed Use of Funding</b>	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.

<b>Program</b>	<b>2019-20 Confirmed Allocation</b>	<b>2020-21 Planning Allocation</b>	<b>2021-22 Planning Allocation</b>
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
<b>Total OPHI Funding</b>	<b>\$791,800</b>	<b>\$410,200</b>	<b>\$638,600</b>

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:

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Reviewed by:

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

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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

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