



	REPORT No.: 2019-34
MEETING DATE: JULY 18, 2019	DATE PREPARED: JUNE 24, 2019
SUBJECT: NEW COMMUNITY HOUSING RENEWAL STRATEGY PROGRAMS – CANADA-ONTARIO COMMUNITY HOUSING INITIATIVE AND ONTARIO PRIORITIES HOUSING INITIATIVE	

RECOMMENDATION

THAT with respect to Report No. 2019-34 (Housing Services Division), we authorize the Chair and the Chief Administrative Officer, to execute the Transfer Payment Agreement and Investment Plan for the new Community Housing Renewal Strategy programs and submit to the Ministry of Municipal Affairs and Housing (MMAH);

AND THAT we approve Administration's recommendation that \$750,000 from the 2019-20 Ontario Priorities Housing Initiative (OPHI) Rental Housing Component funding be utilized by the District of Thunder Bay Social Services Administration Board (TBDSSAB) for the construction of six (6) fully accessible units at McIvor Court;

AND THAT we approve Administration's recommendation to trade the remaining \$425,530 from the Year 1 Rental Housing Component to the Year 3 Rental Housing Component;

AND THAT any necessary By-law be presented to the Board, for consideration.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with information related to the implementation of the provincial government's new Community Housing Renewal Strategy, and to approve the proposed Investment Plan and Rental Housing funding investment.

BACKGROUND

In 2011, the MMAH announced a four-year funding program under the Investment in Affordable Housing (IAH) initiative, providing annual allocations to Service Managers to identify and address strategies that meet local housing needs and priorities.

The IAH program provides for funding of the following components: Rental Housing, Homeownership, Ontario Renovates, Rent Supplements and Housing Allowances.

On August 11, 2014, the MMAH provided TBDSSAB with a letter outlining the extension of the IAH program. The IAH-E program extension operates from 2014 through 2020. The total funding available for this period is \$8,353,800.

On April 17, 2019, The Honourable Steve Clark, Minister of Municipal Affairs and Housing, addressed a letter to the TBDSSAB Board Chair announcing the government's Community Housing Renewal Strategy – a multi-year plan to sustain and grow the community housing system. As part of this strategy, two new programs will be launched in 2019-20, leveraging federal investments under the bilateral agreement between the MMAH and the Canada Mortgage and Housing Corporation.

The letter further confirmed that the IAH-E program would end with the 2019-20 fiscal year, while the Community Homelessness Prevention Initiative and the Home for Good programs would continue to be funded at least through the 2020-21 fiscal year.

COMMENTS

The Program Guidelines relating to the Community Housing Renewal Strategy were received on May 3, 2019. The guidelines provide detail regarding the two new programs.

The Canada-Ontario Community Housing Initiative (COCHI) represents a re-investment of federal funding allowing Service Managers to address the challenges associated with housing projects reaching the end of their mortgages and/or operating agreements. COCHI funds are targeted towards protecting affordability for households in community housing, supporting the repair and renewal of existing social housing supply and expanding the supply of community housing. Housing projects and providers are eligible for COCHI funding as long as they are social housing providers that are listed in the Housing Services Act 2011 as of April 1, 2019. In addition, the COCHI guidelines require the preservation of Urban Native Housing (UNH) units to ensure there is no net loss of units with adequate rental affordability. COCHI funding must be used in addition to existing municipal subsidy for social housing expenditures – COCHI funding cannot be used to offset municipal social housing expenditures.

The Ontario Priorities Housing Initiative (OPHI) is modeled after the recent Investment in Affordable Housing Extension (IAH-E), and allows Service Managers to address local housing priorities including affordability, repair and new unit construction. Initiatives including rent supplements, housing allowances and housing development and repair remain. Under the OPHI Program Guidelines, Service Managers have the flexibility to select the components they will deliver each year, under their approved funding allocations. Service Managers may be stand-alone project proponents under the Rental Housing component. Additional features include the ability to offer a support services component and utilize OPHI funding for social housing under the Ontario Renovates program.

Service Managers will enter into a Transfer Payment Agreement (TPA) with the province to participate in the COCHI and OPHI programs. The TPA will include an Investment Plan which outlines how the annual COCHI and OPHI funding will be used over the first 3-year funding period (2019-20 to 2021-22). The initial TPA and investment plan is due to the MMAH by September 15, 2019.

The Service Manager must ensure that there is no conflict of interest under the COCHI and OPHI programs. For the purposes of the program agreement, a conflict of interest includes any circumstances where:

- (a) the Service Manager; or
- (b) any person who has the capacity to influence the Service Manager's decisions, has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Service Manager's objective, unbiased and impartial judgment relating to the Program, the use of the Funds, or both.

Administration has reviewed the new programs and related guidelines and has prepared a draft Investment Plan, presented as Attachment #2. The Investment Plan presented proposes to utilize COCHI to maintain Urban Native Housing units that have Operating Agreements set to expire and would otherwise be removed from the Rent Geared to Income system. Administration proposes to leverage COCHI funding to enter into rent supplement agreements with Native People of Thunder Bay Development Corporation and Geraldton Native Housing Corporation to ensure expiring units are preserved. Further, it is proposed that the remaining COCHI funding be utilized for capital repair to social housing projects across the portfolio.

The Investment Plan presented also proposes to utilize OPHI funding to continue the TBDSSAB's historic funding investment balance between investments in new Affordable Housing stock and the Ontario Renovates program. Under the OPHI Program Guidelines, a social housing redevelopment which involves building new affordable rental units/additions on existing social housing sites is an eligible project. TBDSSAB administration is recommending that \$750,000 of the 2019-20 OPHI Rental Housing Component be utilized by the TBDSSAB for the construction of six (6) fully accessible units at Mclvor Court. TBDSSAB administration will also attempt to trade the remaining \$425,530 from the Rental Housing Component from the Year 1 allocation to Year 3 to provide approximately \$900,000 in the Rental Housing Component for that funding year.

At the February 6, 2017 Board Meeting, Report 2017-08 was presented outlining the future development for vacant space at Mclvor Court, located at 1100 Lincoln Street. An architect developed a proposal for six barrier free apartment units in the former Herb Carroll Centre on the first floor. The plans also include significant upgrades to the building entrance, common areas, mobility unit storage and exterior work including accessible parking to accommodate full barrier-free living. All of the specifications and drawings have been completed and the project is shovel ready, making this project ideal for the Year-1 OPHI funding. An updated Class A Estimate was obtained on May 23, 2019 with a completion cost of \$821,802 plus HST which includes a 5% design contingency allowance for an estimated total of approximately \$1,000,000.

This amount includes all unit work as well as modifications to the building entrance and systems to allow for full accessibility.

The OPHI Rental Housing component will fund up to 75% of the pro-rated share of the capital costs of the affordable units. Total capital costs include land, financing, hard (construction) and soft costs but less any HST rebates. As a result, TBDSSAB administration will present a Board Report in September, 2019 requesting \$250,000 from the Capital Reserves for the 25% share of the costs for this project.

FINANCIAL IMPLICATIONS

As outlined in the April 17, 2019 letter from Minister Clark, funding from the Ministry is confirmed for the 2019/20 fiscal year, and planning allocations were provided for 2020/21 and 2021/22. The allocations are as follows:

Program	2019-20 Confirmed Allocation	2020-21 Planning Allocation	2021-22 Planning Allocation
Investment in Affordable Housing for Ontario (2014 Extension)	\$801,900	N/A	N/A
Community Homelessness Prevention Initiative	\$3,263,274	\$3,542,466	\$3,542,466
Home for Good – Operating	TBC	TBC	TBC
Canada-Ontario Community Housing Initiative	\$281,322	\$508,409	\$1,470,231
Ontario Priorities Housing Initiative	\$1,237,400	\$641,100	\$998,000

The Home for Good annual allocations are to be confirmed by MMAH, pending a review of the current and future expenses planned under this program. It is anticipated that funding will be maintained at the 2018-19 level, which was \$1,270,124.



As part of the Investment Plan, Service Managers may use up to 5% of each of their annual COCHI and OPHI funding allocations to assist with administration costs for the delivery of the initiatives. The CHPI and Home for Good programs are eligible for up to 10% of their annual funding for administration costs.

CONCLUSION

It is concluded that this report provides the Board with information with respect to the new Community Housing Renewal Strategy, and its related programs, and the funding available to TBDSSAB for the 2019/20 year. It is further recommended that the Board authorize the Chair and the Chief Administrative Officer, to execute the Transfer Payment Agreement for the new Community Housing Renewal Strategy programs and submit this agreement and the Investment Plan to the Ministry of Municipal Affairs and Housing.

REFERENCE MATERIALS ATTACHED

- Attachment #1 Letter from the Honourable Steve Clark, Minister of Municipal Affairs and Housing, dated April 17, 2019
- Attachment #2 Proposed Investment Plan

PREPARED BY:	Aaron Park, Manager, Housing and Homelessness Programs, Housing Services Division The District of Thunder Bay Social Services Administration Board
APPROVED / SIGNATURE:	 Ken Rahta, Director, Housing Services Division The District of Thunder Bay Social Services Administration Board
SUBMITTED / SIGNATURE:	 William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board

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April 17, 2019

Ms. Lucy Kloosterhuis
Board Chair
Thunder Bay District Social Services Administration Board
231 May Street South
Thunder Bay ON P7E 1B5

Dear Board Chair Kloosterhuis:

Our government for the people understands the importance of housing that is affordable, adequate and accessible, and that meets the needs of Ontario's diverse communities and populations. Despite the significant budget challenges our government faces, I am pleased that we will support critical continued housing investments and leverage federal funding under the National Housing Strategy through new provincial investments. I am writing to you today to outline funding for housing and homelessness programs as confirmed through the 2019 Ontario Budget.

My Ministry will be providing over \$1 billion in transfer payments for housing and homelessness programs in 2019-20, inclusive of federal transfers. As we work to address the province's fiscal circumstances, total transfers will decrease slightly in 2020-21 to just under \$1 billion and will return in 2021-22 to just over \$1 billion, subject to future multi-year budget decisions. This funding envelope enables us to maintain commitments to existing programs and use a flexible approach to cost-match funds for the National Housing Strategy over a multi-year period. The vast majority of these transfer payment programs flow through Service Managers.

This letter provides further program-by-program information and your specific allocations are detailed in an attachment.

Ongoing Programs

The **Investment in Affordable Housing for Ontario (2014 Extension)** program has successfully helped communities to build affordable rental housing, make home ownership attainable for lower-income Ontarians and offer funding for much-needed repairs. Federal funding under this program concluded in 2018-19. Our government is committing \$80.1 million in 2019-20 to complete the cost-matching requirements under this program. I am pleased to confirm your funding allocation for this final year of program funding, consistent with the previously communicated planning allocation.

To support communities across Ontario in their efforts to prevent and address homelessness, the **Community Homelessness Prevention Initiative (CHPI)** provides a flexible, outcomes-based, and accountable approach to funding. Despite the significant fiscal challenges this government faces, I am pleased we are able to maintain this critical funding in 2019-20 at the 2018-19 level of \$323.7 million and to increase funding to a new base of \$338.7 million beginning in 2020-21.

Our government recognizes how critical supportive housing investments are to address homelessness and maintain housing stability for some of our most vulnerable people. I am also pleased to advise that province-wide operating investments in the **Home for Good** program and **Indigenous Supportive Housing Program** will be maintained at the current level of \$63 million for each of the next two years (2019-20 and 2020-21). Existing capital commitments will also be maintained.

It is our government's intention to increase the ongoing level of provincial operating funding for the Home for Good and Indigenous Supportive Housing Programs to \$94.7 million in 2021-22. Decisions regarding allocation of the increased funding will be determined at a later date.

It is critical that the investment our government has allocated to supportive housing is fully used to support as many households as possible to find the housing and supports they need. I was disappointed to learn that you were unable to fully allocate your 2018-19 Home for Good operating allocation.

I am committed to providing Home for Good funding to you in 2019-20 and beyond at a level that enables you to continue to support households currently housed through this program and any new households who may be housed in

buildings that may be coming on stream through currently committed Home for Good capital investments.

In order to confirm your appropriate funding allocation for 2019-20 and beyond, I am asking that you renew your Home for Good Take-Up Plan to demonstrate your funding plans and capacity to deliver. This plan is requested by May 31. Your 2019-20 allocation will be confirmed following receipt and review of this plan.

New Programs

Today I announced our government's Community Housing Renewal Strategy – a multi-year plan to sustain and grow our community housing system. Two new programs are being launched in 2019-20 to support this Strategy, leveraging federal investments under the bilateral agreement between the Ministry of Municipal Affairs and Housing and Canada Mortgage and Housing Corporation.

The **Canada-Ontario Community Housing Initiative (COCHI)** will provide funding to replace the federal Social Housing Agreement funding that expires each year, beginning 2019-20. Total federal funding under this program is \$33.2 million in the current year, \$81.0 million in 2020-21 and \$112.1 million in 2021-22.

The federal government has acknowledged that their funding for social housing has declined over time and through their funding of the Canada-Ontario Community Housing Initiative federal social housing investments will be maintained at about the 2018-19 levels. Over the period that federal expenditures have been declining, municipal expenditures on social housing have been growing. As allowed under the bilateral agreement, current municipal spending on social housing will be used to count as the cost-matching required under this program.

This funding can be used to repair, regenerate and expand community housing and to protect affordability support for tenants. It can be used to support community housing providers whose original program arrangements are expiring and help them to become more sustainable. Service Managers will be given significant flexibility to determine priorities locally, in consultation with their housing providers. In addition, consistent with the bilateral agreement, Service Managers will be required to give priority to Indigenous providers under the

Urban Native Housing program who have expiring operating agreements, where these exist.

Your allocation amounts are equivalent to the amount of funding you are losing under the Social Housing Agreement each year.

Note that in addition to allocations to Service Managers, Canada-Ontario Community Housing Initiative funding is also being made available to support other housing providers who have received legacy Social Housing Agreement funding through provincial ministries, such as supportive housing providers.

The **Ontario Priorities Housing Initiative** will also launch in 2019-20, providing flexible funding to all 47 Service Managers and the two Indigenous Program Administrators to address local priorities in the areas of housing supply and affordability, including new affordable rental construction, community housing repair, rental assistance, tenant supports and affordable homeownership. The design of this program will build on our joint success in the delivery of the Investment in Affordable Housing Program.

Our government is committed to fully cost-match this program. Total federal and provincial funding of \$123.3 million in 2019-20, \$65 million in 2020-21 and \$99.9 million in 2021-22 will be available to allocate under the program. Provincial spending of \$34.7 million from existing programs across 2018-19 and 2019-20 will be counted towards the cost-matching requirement.

Canada-Ontario Housing Benefit

The province plans to begin negotiations with the Canada Mortgage and Housing Corporation shortly to finalize the program design and amend the bilateral agreement for the **Canada-Ontario Housing Benefit**. This will allow housing benefits to begin flowing to Ontario households beginning April 2020, when federal funding becomes available.

In the meantime, the province will continue to provide portable housing benefits to **Survivors of Domestic Violence and Human Trafficking** who are eligible under the Special Priority Policy and who choose to take a portable housing benefit as an alternative to waiting for a rent-geared-to-income unit to become available. This critical program is available province-wide and provides benefits that are portable across the province, enabling recipients to make the housing

choices that are best for them. \$10 million is available for this program in 2019-20.

Once the Canada-Ontario Housing Benefit becomes available, we plan to continue to support these households – as well as others – through the new benefit program.

Next Steps

Additional details concerning these initiatives, including Program Guidelines and a draft Transfer Payment Agreement for new programs, will be shared with your staff in the coming days.

I am pleased that our government for the people is able to continue to support the important work that you do to improve housing outcomes in your community, while we also work to improve Ontario's overall fiscal situation. I look forward to continuing our work together.

Yours truly,



The Honourable Steve Clark
Minister of Municipal Affairs and Housing

- c. Mr. William Bradica, Chief Administrative Officer, Thunder Bay District Social Services Administration Board
- Mr. Ken Ranta, Director of Housing Services, Thunder Bay District Social Services Administration Board

APPENDIX – FUNDING ALLOCATIONS

Thunder Bay District Social Services Administration Board

Program	2019-20 Confirmed Allocation	2020-21 Planning Allocation	2021-22 Planning Allocation
Investment in Affordable Housing for Ontario (2014 Extension)	\$801,900	N/A	N/A
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Planned Financial Commitments By Year

Complete the following table to indicate how much of your annual allocation you plan to commit to each program component in each year of COCHI and OPHI. Documentation required for a commitment is outlined in the Program Guidelines.

Enter the full amount of funding to be committed in the year in which you plan to make the commitment.

Enter the amount to be used as administration fees for each year. Administration fees cannot exceed 5% of your annual funding allocation.

COCHI	COCHI Planned Financial Commitment - \$s			TOTAL	
	YEAR 1	YEAR 2	YEAR 3		
	2019-20	2020-21	2021-22		
SM allocation for each fiscal year				\$ -	
Capital Components					
New Build				\$ -	
Repair	\$ 222,739	\$ 276,474	\$ 884,025	\$ 1,383,238.00	
Operating Components					
Rent Supplement	\$ 44,517	\$ 206,515	\$ 512,695	\$ 763,727.00	
Transitional Operating Funding				\$ -	
SM Administration Fees	% of Allocation				
SM Administration Fees	#DIV/0!	\$ 14,066	\$ 25,420	\$ 73,511	\$ 112,997.00
Total COCHI		\$ 281,322	\$ 508,409	\$ 1,470,231	\$ 2,259,962
OPHI					
SM allocation for each fiscal year				\$ -	
Capital Components					
Rental Housing	\$ 1,175,530		\$ 475,000	\$ 1,650,530	
Homeownership				\$ -	
Ontario Renovates		\$ 609,045	\$ 473,100	\$ 1,082,145	
Operating Components					
Rental Assistance					
Rent Supplement				\$ -	
Housing Allowance - Direct Delivery				\$ -	
Housing Allowance - Shared Delivery				\$ -	
Housing Support Services				\$ -	
SM Administration Fees	% of Allocation				
SM Administration Fees	#DIV/0!	\$ 61,870	\$ 32,055	\$ 49,900	\$ 143,825
Total OPHI		\$ 1,237,400	\$ 641,100	\$ 998,000	\$ 2,876,500
TOTAL PROGRAM ALLOCATION		\$ 1,518,722	\$ 1,149,509	\$ 2,468,231	\$ 5,136,462