



	<b>REPORT No.: 2021-32</b>
<b>MEETING DATE: JULY 15, 2021</b>	<b>DATE PREPARED: JUNE 16, 2021</b>
<b>SUBJECT: NIPIGON MARKET HOUSING OPTIONS</b>	

**RECOMMENDATION**

For information only.

**REPORT SUMMARY**

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with information concerning Community Housing under the operation of TBDSSAB and information related to the establishment of market rent housing specific to the Township of Nipigon.

**BACKGROUND**

At the May 20, 2021 Board meeting, Board Member James Foulds presented an item of new business requesting that Administration review options for market rental housing in Nipigon. This request was supported by the Board.

Prior to 1999, Canada and the provinces directly delivered and administered social housing programs. In 1999 the Social Housing Agreement transferred federal funding and program responsibilities for many of Canada Mortgage & Housing's (CMHC) social housing programs to the provinces. It is notable that CMHC retained the responsibility for the federally funded cooperative housing programs. The administration of the units developed under the Rural and Native Housing program was transferred by Ontario to the Ontario Aboriginal Housing Service.

In Ontario, responsibility for funding and the overall administration was transferred to 37 Consolidated Municipal Service Managers and 10 District Social Services Boards beginning in 2001. These 47 organizations are referred to as Service Managers under the *Housing Services Act 2011*.

With the transfer of social housing, administrative and funding responsibility to Service Managers, the Province also established Service Level Standards (SLS) to identify the minimum number of households, whose incomes are under Housing Income Limits (HIL) established by Ontario, to be supported by the Service Manager. The SLS's were set to

ensure that after the transfer of social housing responsibilities to the Service Managers, the social housing stock would not be diminished and that this minimum number of households with incomes under the HIL would be supported.

The SLS categories defined by the Ministry of Housing as follows:

- 1. Number of Households whose income is no greater than the Household Income Limit (HIL) – At point of transfer in 2001**, the Ministry assumed that all the RGI units in public and non-profit and co-op housing were under the HIL.
- 2. Number of High Need Households** - for public housing it was 75% of the RGI units and 75% of the commercial rent supplement units. For non-profit housing, high need households were set as per the program requirements, 35% of the RGI units for the non-profits and 25% of the RGI units for the co-ops.
- 3. Number of Modified Units** were the actual number of units that were reported by the housing providers through the target and mandate exercise.

TBDSSAB has a SLS target of 3,601 at or below the HIL. This is the primary category of measure related to SLS. Further, TBDSSAB has targets to achieve 1,987 High Needs Households and 263 Modified units, all within the 3,601 target. TBDSSAB currently is at 3,487 SLS units, 114 units below the SLS target.

At the March 26, 2015 Board meeting, the Board was presented with a 10 Year Housing and Homelessness Plan for Housing Targets (Report No.: 2015-20). This plan looked at the future need of housing in each community within the District of Thunder Bay and established projections for housing targets. This plan has been updated to the Board several times, with the most recent update presented at the March 21, 2019 meeting (Report No.: 2019-16). In this most recent update, the projection for demand for single RGI units expanded by a proposed 25 units, while there was a reduction expected in seniors and family RGI units. This pattern of expected growth for single RGI units and reduction in seniors and family RGI units was consistent across most communities in the District.

To minimize the vacancy rate and maximize rent revenue in TBDSSAB properties, the Board approved a Long-Term Vacancies Policy at the May 16, 2019 meeting (Report No.: 2019-25). This policy states that if a unit is vacant for a period of four months or longer, efforts will be made to fill the vacancy with a market rent applicant. Though this would have an impact on the attainment of SLS, it was determined that the cost of a chronic vacancy was a greater risk to TBDSSAB.

### **COMMENTS**

Rent-Geared-to-Income (RGI) or subsidized housing is a housing subsidy or benefit offered to make rent affordable for households. In most cases, the rent at a subsidized unit is set to be 30 per cent of a household's total monthly income before taxes and

adjustments. If a household received social assistance, the rent is based on the rent benefit established by the Ontario government. To be eligible for RGI or subsidized housing, an application must be submitted with the current income verified for anyone aged 16 or older within the family composition. Based on the income information provided with the application, eligibility for RGI housing is income tested, again based on family composition and if the income amount is below the HIL threshold, the household is placed on the centralized housing waiting list or in other priority categories.

At the May 17, 2018 meeting, the Board was presented with a multi-year strategy for the achievement of TBDSSAB's Service Level Standards (Report No.: 2018-32). This strategy included option to attain the SLS over a period of five years. As a part of this strategy, the Board supported the new annual investment of approximately \$217,000 over five years to grow the number of SLS-applicable units. An update to the initial report was provided to the Board at the November 18, 2020 meeting (Report No.: 2020-57). This updated report outlined a net growth of 52 SLS units, reducing the overall SLS shortfall to 208 units at the time.

Any measures to eliminate an RGI unit and convert this to a market unit would impact the SLS and may require additional investment to attain the targets.

On April 23, 2019, TBDSSAB facilitated an information session with Abbeyfield, a seniors housing developer. The session was aimed at addressing community housing needs for individuals who may not necessarily be eligible for RGI housing, but were interested in downsizing and remaining in their home community. Though TBDSSAB would not be involved directly with a non-RGI development, this information was viewed as valuable for communities and organizations looking to expand market-driven housing for seniors. Several community groups attended the information session, but to date there have been no developments with this model.

As of May 2021, TBDSSAB direct owned properties in Nipigon includes 16 mixed-age units with no vacancies, nine family units with one vacancy due to a fire and 20 seniors' units with one vacancy (this unit is currently on offer). Current waiting list numbers within the Nipigon portfolio have three applicants waiting for mixed-age units, no family applicants waiting, and the seniors list has four waiting. All the applicants waiting to be housed have RGI classification, to meet service level standards.

Of the 43 units currently occupied in Nipigon, 11 tenants are paying market rent rates. This includes eight of the 19 seniors at Sjolander Court. All these market rate tenants would have initially been deemed eligible at RGI rates, however over time with income increases, they have moved to market rent. TBDSSAB has not taken the position to evict market tenants who initially establish a home as an RGI tenant.

The Canada Mortgage and Housing Corporation conducts market surveys across the country to determine current market housing costs, vacancy rates and overall availability of housing. Unfortunately, the surveys are only conducted in communities of 10,000 population or greater. As a result, only the City of Thunder Bay data is available. Given this, TBDSSAB undertook an independent market rent study in 2016. This information

was reported to the Board at the September 28, 2016 meeting (Report No.: 2016-46). In the report it was noted that the area comprised of Nipigon, Red Rock and Dorion had a total of 1,849 dwellings, with 29 of these identified as market rental units. With this small number identified, the data provided limited insight and comparability with other market areas.

In 2016, the Township of Nipigon submitted an Expression of Interest to access Investment in Affordable Housing (IAH) funding to assist in the development of new affordable units in the community. The submission resulted in the provision by TBDSSAB of \$500,000 towards the construction of 4 new single units.

On April 17, 2019, The Minister of Municipal Affairs and Housing (MMAH), addressed a letter to the TBDSSAB Board Chair announcing the provincial 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 were launched in 2019-20, leveraging federal investments under the bilateral agreement between the MMAH and the Canada Mortgage and Housing Corporation.

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. Under the OPHI Program Guidelines, Service Managers have the flexibility to select the components they will deliver each year, under their approved funding allocations. This may include the construction of new affordable housing. Additional features include the ability to offer a support services component and utilize OPHI funding for social housing under the Ontario Renovates program. TBDSSAB recently accessed OPHI funding for the construction of six fully accessible units at McIvor Court.

The Canada-Ontario Community Housing Initiative (COCHI) represents a reinvestment 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 if they are social housing providers that are listed in the *Housing Services Act, 2011* as of April 1, 2019.

An unknown at this time is the full impact the National Housing Strategy may have on the current housing stock and the availability of future housing programs and opportunities. An initial capital funding program has been announced under the Strategy, called the National Housing Co-Investment Fund. More recently, a Rapid Housing Initiative was announced, providing funding for the construction of new housing units. Administration will continue to explore all available options under the National Housing Strategy and present recommendations to the Board as appropriate. It should be noted that these federal programs are open to all applicants and are not restricted to providers of RGI housing.

The overall impact of converting RGI (SLS eligible) units to market units would be a reduction in units available to those beneath the Household Income Limit, making access to affordable housing more challenging. In certain circumstances, where there are chronic vacancies in RGI units, the decision to convert units to market rent may have merit, as this minimizes the costs of holding a vacant unit and maximizes the use of the existing asset. However, the unit would be removed from the RGI accessible stock for as long as a market tenant wishes to stay. This could have long-term implications, particularly if the RGI demand in an area increases.

It is recommended that TBDSSAB maintain the current ratio of RGI to market units in its existing portfolio and continue to consider addressing chronic vacancy units through the Long-Term Vacancies Policy. TBDSSAB should continue to seek interest in the creation of affordable housing by interested third parties, and support through federal and provincial funding as available. For new multi-unit housing developments, consideration will be given to mixed-income housing models following the Board’s endorsement of the Mixed Income Housing position paper in April 2019 (Report No.: 2019-22).

**FINANCIAL IMPLICATIONS**



There are no direct financial implications resulting from this report.

**CONCLUSION**

It is concluded that this report provides the Board with information concerning the status of Community Housing under the operation of TBDSSAB and information related to the establishment of market rent housing specific to the Township of Nipigon.

**REFERENCE MATERIALS ATTACHED**

None

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