



BOARD REPORT

REPORT No.: 2024-17

MEETING DATE: APRIL 18, 2024

SUBJECT: 2024/25 CANADA ONTARIO COMMUNITY HOUSING INITIATIVE UPDATE

RECOMMENDATION

THAT with respect to Report No. 2024-17 (Integrated Social Services Division) we, The District of Thunder Bay Social Services Administration Board, approve Option two, specifically that the Community Housing Reserve Fund be accessed to support capital repair projects previously funded under the Canada Ontario Community Housing Initiative for the identified not-for-profit Community Housing providers, not to exceed \$716,100;

AND THAT up to \$20,000 be funded from the Housing Portfolio Reserve Fund to support the TBDSSAB capital project previously funded under the Canada Ontario Community Housing Initiative;

AND THAT the Levy Stabilization Reserve Fund be accessed up to \$1,015,000 to address the Rent Supplement funds previously provided under the Canada Ontario Community Housing Initiative for the Urban Native Housing units;

AND THAT the Board continue to advocate to the federal government to reinstate funding to Ontario under the National Housing Strategy.

REPORT SUMMARY

To present The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with information related to the TBDSSAB 2024/25 Canada Ontario Community Housing Initiative (COCHI), Ontario Priorities Housing Initiative (OPHI) and Canada Ontario Housing Benefit (COHB) funding allocations and to present options to address this funding shortfall.

BACKGROUND

COCHI represents a re-investment of federal funding allowing Service Managers to address the challenges associated with housing projects reaching the end of mortgages and/or operating agreements. The objective of COCHI is to protect tenants in projects

with expiring operating agreements/mortgages and begin to stabilize and eventually grow the supply of community housing through regeneration and expansion, repairs, renovations, and operating support. Housing projects and providers are eligible for COCHI funding as long as they are community housing providers listed in the *Housing Services Act, 2011* as of April 1, 2019.

OPHI is intended to address local housing priorities, including affordability, repair and new construction, by allowing Service Managers to determine highest need and providing funding to be able to meet those needs. OPHI is modelled after similar, previous affordable housing programs, with the most recent being the Investment in Affordable Housing Program Extension (IAH-E). There are a number of additional features in this program, including the addition of a support services component and the eligibility of social housing under Ontario Renovates.

COHB is a federal-provincial housing allowance program that is jointly funded through the CMHC-Ontario Bilateral Agreement under the 2017 National Housing Strategy and is provincially delivered. The purpose of the COHB program is to increase the affordability of rental housing by providing an income-tested, portable housing benefit (PHB) payment directly to eligible households in housing need that are on, or are eligible to be on, social housing waiting lists and to households in housing need living in community housing

Through Report No. 2023-31, the Board approved TBDSSAB's COCHI-OPHI Investment Plan for 2023-24 and 2024-25. The Investment Plan identified \$2,170,000 to be utilized towards repair within the legacy Community Housing stock. With COCHI funding over the past several years, TBDSSAB has focused investment in the areas of repair of existing community housing properties and in the provision of rent supports and transitional operating funding to maintain Urban Native Housing units where the mortgages and operating agreements have expired. The annual COHB allocation for new applicants was also included in this report, though no investment plan was required

On March 25, 2024, TBDSSAB received a letter (attached) from the Hon. Paul Calandra, Minister of Municipal Affairs and Housing informing Service Managers that the Federal government will be withholding \$355 million in funding to Ontario that was used to provide COCHI, OPHI and COHB funding to Service Managers.

COMMENTS

TBDSSAB had a Board approved Investment Plan (IP) for COCHI and OPHI funding for 2024/25. The COCHI IP earmarked \$2,170,000 for capital repairs to the Community Housing stock and \$1,015,000 for Urban Native rent supplements for properties where the mortgage had expired. Under OPHI, \$753,920 was proposed for the creation of new affordable rental housing. The COHB allocation for 2024/25 was not yet released to Service Managers, however the 2023/24 allocation was \$385,100.

Administration has reviewed potential options to replace the planned COCHI and OPHI funded expenditures should this allocation to Service Managers be withheld for the full 2024/25 funding year. Should the future of COCHI and OPHI funding change beyond the current year, Administration will prepare a long-term strategy to address this shortfall. The three options that administration considered for 2024/25 are:

Option	Advantages	Disadvantages
<p>1. Access Reserve funds to fully address the planned TBDSSAB (\$1,300,000) and Non-Profit Community Housing (\$716,100) projects identified for this year and access the Levy Stabilization Reserve Fund to address the cancelled Rent Supplement funds for the Urban Native Housing units (\$1,050,000) to address the COCHI shortfall. For OPHI, access reserve funds (\$753,920) to address the funding shortfall.</p>	<ul style="list-style-type: none"> All programming remains at pre-approved levels, including sustainability of capital infrastructure, and service level standards. 	<ul style="list-style-type: none"> Significant reduction of TBDSSAB's Reserve Funds, thereby impacting future financial stability for capital and operating sustainability.

Option	Advantages	Disadvantages
<p>2. Access the Community Housing Reserve Fund to address planned projects for the Non-Profit Community Housing capital projects (\$716,100), delay the construction of TBDSSAB’s capital projects that were to be funded by COCHI other than the amount already committed for consultant services, and access the Levy Stabilization Fund to address the cancelled Rent Supplement funds for the Urban Native Housing units (\$1,050,000) For OPHI, defer capital investment for the 2024/25 year.</p>	<ul style="list-style-type: none"> • Community Non-Profit housing capital projects will proceed using the reserve fund established for these unexpected circumstances. • Operational programming will continue to maintain the 133 Urban Native Housing units and the related service level housing standards. • Although consulting on TBDSSAB’s capital project has started, the construction can be delayed until 2025, and requires minimal additional capital reserve funding financing to meet the existing commitment. 	<ul style="list-style-type: none"> • Reduction of TBDSSAB’s Reserve Funds, thereby impacting future financial stability for capital and operating sustainability. • Reduce investment in the creation of new affordable rental housing in 2024/25.
<p>3. Increase the levy to municipalities and TWOMO by \$3,785,020 to cover this unexpected funding shortfall</p>	<ul style="list-style-type: none"> • Capital repairs and support for the Urban Native Housing program would proceed as approved 	<ul style="list-style-type: none"> • An increase to the 2024 levy previously approved by the Board and communicated to 15 municipalities would lead to an unplanned cost for municipal partners
<p>4. Provide no funding for capital projects identified from COCHI or OPHI and provide notice to the Urban Native Housing providers that the TBDSSAB will discontinue rent</p>	<ul style="list-style-type: none"> • TBDSSAB reserve funds will be maintained to maximize future capital and operational program stability. 	<ul style="list-style-type: none"> • Significant reduction (133 units) in housing service level standards. • Capital funding was provided as a noted incentive for the Non-Profit Community Housing providers to enter into new

supplements for these properties.		Operating Agreements to maintain service level standards within the sector.
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As the COHB program is administered by the province, and a target allocation provided to TBDSSAB on an annual basis, there is no proposed option to continue forward in 2024/25 with this program without receiving funding. This would impact approximately 30 to 35 households who may have received a portable housing benefit under the COHB program.

STRATEGIC PLAN IMPACT

This report relates to the Board's 2024-2027 Strategic Plan practical vision to provide safe, affordable, agency supported housing that everyone deserves.

FINANCIAL IMPLICATIONS

The following provide the financial implications of the above noted options:

Reserve Fund	Reserve Fund Balance April 1, 2024	Reserve Fund Balances under Option 1	Reserve Fund Balances under Option 2	Reserve Fund Balances under Option 3	Reserve Fund Balances under Option 4
Community Housing	1,990,429	520,409	1,274,329	1,990,429	1,990,429
Levy Stabilization	2,552,619	1,537,619	1,015,000	2,552,619	2,552,619
Housing Portfolio Capital	18,691,519	17,391,519	18,676,519	18,691,519	18,691,519
Total:	23,234,567	19,449,546	20,965,848	23,234,567	23,234,567

Consistent with reserve fund usage practices, amounts will only be withdrawn up to the actual levels.

If the full funding shortfall was added to the levy to municipalities and TWOMO, this would result in an increase to the levy of \$3,785,020 or 15% for 2024.

CONCLUSION



It is concluded that this report provides the Board with information relative to the TBDSSAB 2024/25 COCHI OPHI and COHB funding allocation;

And that options have been provided to address this potential funding shortfall;

And that Option two maintains the highest level of capital and operational programming for the housing sector, recommends options in accordance with TBDSSAB Reserve Fund By-laws, and should be approved.

REFERENCE MATERIALS

- Attachment #1 [Letter from Hon. Paul Calandra, MMAH dated March 25, 2024](#)
- #2 [Letter to MP Hajdu and MP Powlowski dated March 28, 2024](#)

PREPARED BY:	Aaron Park, Manager, Housing and Homelessness Programs
SIGNATURE	
APPROVED BY	Ken Ranta, Director, Integrated Social Services Division Georgina Daniels, FCPA, FCA, Director, Corporate Services Division
SIGNATURE	
SUBMITTED BY:	William (Bill) Bradica, Chief Administrative Officer

**Ministry of
Municipal Affairs
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234-2024-1413

March 25, 2024

Mr. Ken Ranta
Director of Integrated Social Services
Thunder Bay DSSAB
231 May Street South
Thunder Bay, ON P7E 1B5

Dear Mr. Ranta:

Late last week, I received a letter from federal Minister Sean Fraser regarding Ontario's National Housing Strategy (NHS) Action Plan. The Minister has indicated that the federal government is cutting \$355 million in funding that goes to support the most vulnerable in our province.

The federal government has disagreed with the 11,529 community housing units that Ontario proposed to count towards the overall provincial target of building 19,660 new rent-assisted units as part of its NHS Action Plan. In doing so, they are refusing to recognize the important contributions made by Ontario's service managers to grow the provincial community housing stock while balancing other critical housing priorities, including the significant repair backlog.

As a result, the federal government is forcing the province to revisit the way we fund service managers in order for them to demonstrate greater progress against meeting our target. This directly impacts our ability to provide service managers with the autonomy and flexibility they need to address local housing priorities.

We believe this is unacceptable as we know that the flexibility provided to our service managers to spend money on local priorities leads to better outcomes for Ontarians.

Additionally, the federal position on NHS funding does not reflect some major factors that should be taken into account – factors that Ontario has repeatedly brought to the attention of the federal government. Since the NHS targets and outcomes were agreed to in April 2018, the economic landscape has shifted dramatically with the rising costs of building materials, supply chain disruptions, gaps in the labour market, and most of all, higher interest rates.

... /2

The federal position also does not consider the importance of ensuring that the current social housing stock is there for the many households that need it most through our focus on repairing and renovating units. While it is important to grow the stock, it is equally, if not more crucial, to ensure it does not shrink due to units that cannot continue to be offered because of deferred repairs and renovations.

Ontario's stock is the oldest in the country and in the greatest need for additional investment in repairs and renovations. A January 2024 report from the Housing Services Corporation reviewed 86,000 of Ontario's social housing units and found that more than 25,800, or 30% of these units, are at risk of being in critical condition by 2035 based on the Facilities Condition Index. By focusing on the repair backlog, Ontario has successfully staved off the risk to both affordability and availability of units for tens of thousands of families and overachieved on the NHS repairs target. In fact, we have effectively exceeded the overall nine-year repairs target by 170% to date.

Given the age of Ontario's stock, we question the federal government's singular focus on achieving a new supply target while adhering to a low repairs target, both of which were set more than 5 years ago. This approach would amount to gross negligence on our part as the stock would be at risk of deteriorating to a point where, over time, more units could be lost unnecessarily compared to how many are to be created by way of the 15% expansion target. Our approach, on the other hand, continues to support the financial and physical viability of the social housing stock over time, while also respecting the independence and autonomy of our service managers.

I have written back to Minister Fraser and have asked that he consider a revised NHS Action Plan that identifies solutions to address these concerns while not cutting crucial funding that you as service managers depend on.

To date, I have not received a response, as such I am writing to you today to inform you that there may be a significant impact in funding starting on April 1st.

We hope that the federal government will reconsider the approach they have chosen and come to the table as partners so that we can get to a resolution that will not put the most vulnerable Ontarians at risk.

Sincerely,



Hon. Paul Calandra
Minister of Municipal Affairs and Housing

- c. Michael Klimuntowski, Chief of Staff, Ministry of Municipal Affairs and Housing
Martha Greenberg, Deputy Minister of Municipal Affairs and Housing
Angela Cooke, Assistant Deputy Minister, Ministry of Municipal Affairs and Housing



**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Our File No.: SSB-10

The Honourable Patty Hajdu, P.C., M.P.
Thunder Bay Superior North
705 Red River Road, Suite 3
Thunder Bay, Ontario P7B 1J3

The Honourable Marcus Powlowski, M.P.
Thunder Bay Rainy River
905 E Victoria Avenue, Unit 1
Thunder Bay, Ontario P7C 1B3

March 28, 2024

Dear M.P. Hajdu and M.P. Powlowski:

Re: National Housing Strategy – Elimination of Funding to Ontario

The District of Thunder Bay Social Services Administration Board (TBDSSAB) is gravely concerned with the position taken by Minister Sean Fraser regarding funding to Ontario under the National Housing Strategy.

Our Board of Directors strongly urges you to call upon your colleague to reverse this decision.

TBDSSAB relies heavily on National Housing Strategy funding to both preserve the existing social housing stock and create new supply. For the 2024/25 fiscal year, TBDSSAB's anticipated allocation under the Canada Ontario Community Housing Initiative (COCHI) is \$3.4 million.

The COCHI funding has been used in place of expired Federal Block funding to keep legacy units affordable. The loss of TBDSSAB's COCHI allocation would mean that operating funding would end for housing units that were built under the legacy federal Urban Native Housing Program. Eventually, more than 270 UNH units currently funded by TBDSSAB will be at risk if COCHI funding is not continued, leading to more people becoming homeless.

In addition, capital work to retain legacy social housing projects in our portfolio will not be possible and the Board will need to consider selling off the legacy housing stock if the annual COCHI allocation is lost. This year alone, between TBDSSAB-owned legacy housing and non-profit housing providers, a combined total of 442 units will be impacted by a loss of COCHI funding to make capital repairs.

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**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

If the Ontario Priorities Housing Initiative (OPHI) is also impacted by Minister Fraser's decision, TBDSSAB would lose a further \$800,000 in funding. Through OPHI and the predecessor Investment in Affordable Housing (IAH) program, TBDSSAB has funded a number of projects that expanded the affordable housing capacity in our District, including new builds in Thunder Bay, Oliver Paipoonge and Nipigon. In addition, that program has been used to fund major repairs to homes owned by low-income seniors and families throughout our District. Without this funding, many of those people would likely have lost their home.

What we were receiving under COCHI and OPHI was already inadequate to maintain our housing system. We have 1300 people on our housing wait list, and need funding to build over 400 new spaces and to fund 900 portable housing benefits. The decision to cut COCHI and OPHI funding will have devastating impacts on people in need of affordable housing.

We urge Minister Fraser to work with the Ontario government to develop an NHS Action Plan that works for all parties without penalizing Ontario's most vulnerable.

TBDSSAB stands ready to work in partnership with Canada and Ontario to continue to do just that.

Should your respective offices have any questions or require further clarification regarding our request, please direct them to William (Bill) Bradica, Chief Administrative Officer, william.bradica@tbdssab.ca

Sincerely,

Brian Hamilton
Board Chair

BH/wdb

Copy to:

- TBDSSAB Board Members
- William (Bill) Bradica, Chief Administrative Officer – TBDSSAB
- Kevin Holland, MPP – Thunder Bay Atikokan
- Lise Vaugeois, MPP – Thunder Bay Superior North



**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

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