



THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

COCHI and OPHI Investment in the District of Thunder Bay

POSITION PAPER

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Prepared by:

The District of Thunder Bay Social Services Administration Board

Prepared for:

Hon. Rob Flack, Minister of Municipal Affairs and Housing

Brief

The District of Thunder Bay Social Services Administration Board (TBDSSAB) requests that the Minister of Municipal Affairs and Housing (MMAH) enhances future funding allocation for the Canada-Ontario Community Housing Initiative (COCHI), and Ontario Priorities Housing Initiative (OPHI) to allow Service Managers to effectively plan for investment in existing housing stock supplies, including post mortgage Urban Native Housing units, and invest in the creation of new affordable housing supply.

Summary

COCHI and OPHI provide critical funding for TBDSSAB's effective planning for the provision of community housing, which includes capital projects, repairs and maintenance, housing supplements, and homelessness prevention in the district. Recent unexpected changes to COCHI's funding formula have resulted in severely limiting available resources that TBDSSAB would have used to effectively provide these services. Therefore, we are requesting that MMAH provides additional funding allocation in order to better plan for the stabilization of community housing stocks in the district of Thunder Bay.

Background

Since the inception of the National Housing Strategy funding streams – COCHI and OPHI – these allocations have become critical to TBDSSAB's effective provision of community housing. In the past five years, COCHI funding has been central to capital repairs for over 2,600 housing units, along with supporting maintenance of over 241 existing legacy housing units built under the Urban Native Housing Program¹.

¹ The number of Urban Native units TBDSSAB has supported has increased over the last five years – in 2019/20, we supported 10. Fast forward to 2024/25, that number has increased to 118. We forecast a 37% increase (162) in the number of units for the fiscal 2025/26 with an estimated cost of \$1,400,000.

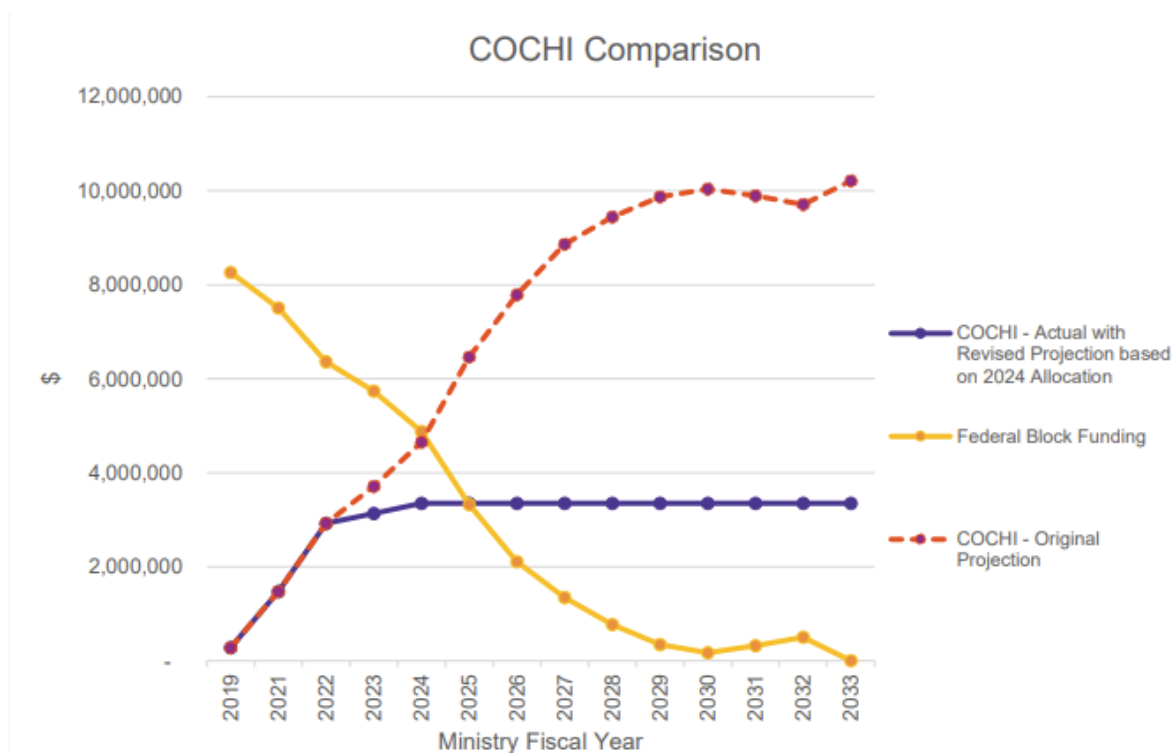
For example, COCHI funding for the fiscal year 2022/23 enabled TBDSSAB to finance repairs on 816 units for a total sum of \$1,435,770 (estimated at \$1,760 per unit)². The need to repair more units, the following year, pushed the cost of repairs by 34%, with a total of \$1,966,400 for 1,019 units. In the fiscal year 24/25, there was a further increase of 10% at \$2,170,000; however, this increase was the total cost to repair 421 units, which was less than the number of units that underwent restoration in the last two years. In addition, more than \$750,000 was allocated from COCHI funding to support the ongoing inclusion of Urban Native Housing units post mortgage expiry. Without this investment, these units would no longer be included in rent supported community housing stock.

While the costs for repairs have gone up year-on-year, in 2023 the funding formula for COCHI changed and TBDSSAB received approximately \$1,000,000 less than the amount anticipated and was required to offset the funding decline from the Canada-Ontario Social Housing Agreement. As a result of the reduced COCHI allocations in 2023 and 2024, TBDSSAB had fewer resources available to effectively provide quality community housing for those living in the District of Thunder Bay³.

The following chart outlines the projection of COCHI funding that coincides with the reinvestment of allocations from expired mortgages, the Federal Block funding reduction and the actual and projected COCHI funding received.

² While costs per unit vary depending on level of repair done in that unit this explanation provides an overview of an estimate of what it would cost if divided across the board.

³ Our annual COCHI allocations are usually spread out between repairs, rent supplement (RS), transitional operating (TO), new build and administrative related costs. Given the reduction since 2023/24, our planning has limited us to spread the allotment towards repairs, RS, TO and administration, with TBDSSAB holding off on providing capital for new builds due to the decrease in subsequent years.



In fiscal year 2022-23, TBDSSAB received a funding allocation of \$4,573,670. This allotment enabled us to allocate \$1.6 million towards supporting a capital project for a new build of 14 units at Northern Linkage. The breakdown of cost puts the amount at \$118,000/unit. With the reduction in subsequent years, the allocation has been used towards repairs and maintenance of older housing stock.

Factoring the average annual rate of inflation to calculate costs to build the same number of units, TBDSSAB would request that the MMAH supplements future COCHI funding allocations by at least \$2,000,000⁴. This proposed increment would afford us more flexibility in providing funding for capital projects, while also being able to spread other amounts towards repairs.

In relation to the other funding stream – OPHI –TBDSSAB has also seen a reduction in funding year-on-year. This reduction has limited our ability to fully meet the mandates set out in the

⁴ Data source: [Statistics Canada](#), Consumer Price Indexes for Canada, Monthly (V41690973 series).

‘COCHI & OPHI Program Guidelines’. A comparison of the funding allocated⁵ between fiscal year 2021/22 and 2024/25 shows a reduction of 44% - from \$1,423,530 in 21/22 to \$793,600 in 24/25. The resulting effect of the reduction has meant that we have less flexibility in our budget planning as we must spread the costs between Ontario Renovates applications or rental housing⁶. With an average cost of a new multi-unit build exceeding \$400,000/unit, TBDSSAB is unable to invest in the creation of new affordable housing stock under the current OPHI allocation. That said, an increase in the OPHI funding allocation to equal the 2021/2022 investment of \$1,423,530 would enable TBDSSAB to build new housing units and assist the province in reaching its goal for housing development.

Therefore, TBDSSAB requests that the Minister of Municipal Affairs and Housing (MMAH) enhances future funding allocation for the Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) to allow Service Managers to effectively plan for the stabilization of housing stock supplies, including post mortgage expired Urban Native Housing units, and invest in the creation of new affordable housing supply.

⁵ Our annual OPHI allocations are usually spread out between the following costs: Rental Housing (RH), Homeownership, Ontario Renovates (OR), and Administration.

⁶ For example, in fiscal 2021/22, the funding enabled us to provide financial support for the renovation of over 590 units – some privately owned and others managed by TBDSSAB. The reduction in funding in subsequent years meant that the number of units renovated reduced as well. In the following year, 22/23, the funding allowed us to support renovations of 552 units. While we were able to renovate more units in 23/24 (575), they were routine renovations on TBDSSAB-owned buildings. As such, we were flexible in spreading costs across. However, in 24/25, the funding has been used for a 2-unit project in Nipigon – Newton St.