

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee

From: Scott Mathers MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

Subject: Canada-Ontario Community Housing Initiative and Ontario
Priorities Housing Initiative Approval of Ontario Transfer
Payment Agreement

Date: October 4, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, that the following actions Be Taken:

1) The attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting to be held on October 17, 2023 to:

((a) **APPROVE** the Ontario Transfer Payment Agreement between The Corporation of the City of London and His Majesty the King in right of Ontario as represented by The Minister of Municipal Affairs and Housing for the provision of funding under the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative for the 2023-2024 and 2024-2025 fiscal years ("Agreement");

(b) **AUTHORIZE** the Mayor and the City Clerk to execute the Agreement;

(c) **AUTHORIZE** the Deputy City Manager, Planning and Economic Development to approve any future amending agreements to the Agreement between His Majesty the King in right of Ontario as represented by the Minister of Municipal Affairs and Housing with respect to the provision of funding under the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative for the 2023-2024 and 2024-2025 fiscal years;

(d) **AUTHORIZE** the Mayor and Clerk to execute any future amending agreements to the Agreement approved by the Deputy City Manager, Planning and Economic Development; and

(e) **AUTHORIZE** the Deputy City Manager, Planning and Economic Development, or their written designate, to approve and execute any reports and Investment Plan required under the Agreement.

Executive Summary

On August 17, 2023, The Ministry of Municipal Affairs and Housing confirmed the City of London Service Manager's Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) 2023-24 funding allocations. As a result, the City of London will receive a COCHI allocation of \$4,389,000 and OPHI allocation of \$2,829,300. City of London previous contribution from the Provincial Government was \$2,862,452 for COCHI and \$2,887,700 for OPHI for the 2022-23 period.

This report provides an overview of the proposed Investment Plan allocations to support the 2023-24 housing program activities.

Linkage to the Corporate Strategic Plan

Council and staff continue to recognize the importance of actions to support housing, as reflected in the 2023-2027 - Strategic Plan for the City of London. Specifically, the efforts described in this report address the following Areas of Focus, including:

- Housing and Homelessness
- Well-Run City

Housing and Homelessness Strategic Area of Focus:

The following strategies are intended to “Increase access to a range of quality, affordable, and supportive housing options that meet the unique needs of Londoners”:

- Align policies and programs recognizing the broad range of factors that contribute to accessing and maintaining transitional, supportive, community, affordable and market housing.

The following strategies are intended to Decrease the number of Londoners at risk of or experiencing homelessness:

- Implement a program of continuous review of policies, procedures, and by-laws to create accountability and opportunities for balanced and compassionate solutions to homelessness.

Well-Run City Strategic Area of Focus:

The following strategies are intended for Londoners to have trust and confidence in their municipal government:

- Increase transparency and accountability in decision making, financial expenditures, and the delivery of municipal programs and services.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- [Community & Protective Services Committee – May 31, 2022 – Canada-Ontario Community Housing Initiative \(COCHI\) and Ontario Priorities Housing Initiative \(OPHI\) Approval of Ontario Transfer Payment Amending Agreement](#)
- [Community & Protective Services Committee – August 31, 2021 – Canada-Ontario Community Housing Initiative \(COCHI\) and Ontario Priorities Housing Initiative \(OPHI\) Approval of Ontario Transfer Payment Amending Agreement](#)
- [Community & Protective Services Committee – June 17, 2019 – Canada-Ontario Community Housing Initiative \(COCHI\) and Ontario Priorities Housing Initiative \(OPHI\) Approval of Ontario Transfer Payment Agreement](#)

1.2 Background

Service Managers previously entered into a Transfer Payment Agreement with the Ministry of Municipal Affairs and Housing to participate in COCHI and OPHI for the 2019/20 – to 2021/22 program years and were required to sign an amending agreement with the Province in order to extend the Transfer Payment Agreement for the 2022-23 program year. Service Manager will be required to sign a new Transfer Payment Agreement with the Province for the 2023-24 and 2024-25 program years.

The Transfer Payment Agreement contains an accountability framework between the Province and Service Managers and outlines the roles and responsibilities of the

Service Manager. In order to participate in the program in 2023-24 and 2024-25 fiscal years, the Service Manager must enter into a new Transfer Payment Agreement.

The Ontario Transfer Payment Agreement provides flexibility, with accountability, to municipal Service Managers to delivery housing assistance and supports to better meet the community needs, provide safer and well-maintained buildings, assist in finding housing more easily, and providing more opportunities to participate in the economy and their community. The City of London is the Service Manager for the city as well as for Middlesex County. The Ministry of Municipal Affairs and Housing provides the guidelines for the various components and program requirements under the COCHI and OPHI programs for the Service Managers.

To ensure Service Managers are well-positioned to move forward with implementation of their housing programs, the Service Manager is required to develop and submit an Investment Plan that outlines how the funding allocation will be used during the 2023-24 funding period. The Investment Plan is intended to outline the broad activities to be taken, the amount of funding to be used, and the amount requested for administration.

The Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) Approval of Ontario Transfer Payment Agreement has been reviewed by the Corporation of the City of London's Legal Services, as well as Risk Management and Financial and Business Supports.

It is also noted that the agreement requires the City to indemnify the Province against all liability, loss, costs, damages, and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits, or other proceedings in connection with the Program.

Further, section 16 of the Agreement provides that the Province is under no obligation to provide the funding in the Transfer Payment Agreement where no appropriation is made by the Ontario Legislature for any payment the Minister is to make pursuant to the Agreement.

These provisions are non-negotiable standards of the Transfer Payment Agreement and accepting the liability exposure is required to gain the greater benefit of the funding.

2.0 Discussion and Considerations

2.1 Purpose

The City of London, as the Service Manager for London and Middlesex County, has received our COCHI and OPHI funding allocation for the 2023-24 period. To receive this funding, the City of London is required to enter into the Amended Transfer Payment agreement with the province and submit an Investment Plan.

2.2 Housing Program Components

Canada-Ontario Community Housing Initiative

COCHI funding focuses on providing the opportunity for Service Managers and housing providers (including public housing) to protect tenants in projects reaching the end of their operating agreements and/or mortgage maturity. The program is intended to help stabilize the supply of community housing through new development, repairs, renovations, and operating support. COCHI is to protect tenants in projects with expiring operating agreements/mortgages and to begin to stabilize and eventually grow the supply of community housing through regeneration & expansion, repairs, renovations, and operating support. COCHI funding is intended to support providers that can demonstrate their potential for long-term sustainability.

Housing providers/projects that receive funding under the COCHI Capital Component must remain affordable for a ten (10) year period after the completion of the funded

retrofit work, including a minimum of five (5) years during which it will continue to operate as a social housing provider under the *Housing Services Act, 2011*.

The components of COCHI include:

New Development and Repair

New development and capital repair project eligibility criteria to support both community housing providers and Local Housing Corporations (public housing).

Service Managers are encouraged to utilize COCHI funding for strategic capital repairs which preserve and extend the functional lifespan of the social housing supply, such as investments based on capital needs identified in current building condition audits and that help support ongoing housing provider sustainability.

Eligible repair work could include:

- Replacing and/or repairing core building systems, and sub-systems (e.g., heating and/or cooling, leaking roof systems, water issues, structural repairs, etc.); and
- Carrying out health and safety repairs (e.g., accessibility renovations).

Eligible projects must be developed by non-profits, co-operatives, or municipalities. Project proposed by, or in partnership with, private sector proponents are not eligible.

Rent Supplements

A rent supplement is a subsidy paid to the landlord on behalf of a household in need of rental assistance.

Providing rent supplements is intended to promote housing stability for tenants who would otherwise face affordability challenges.

Transitional Operating Funding

COCHI funding may also be used as a short-term transitional operating subsidy. The expectation is that housing providers would use this funding to address immediate areas of concern with the clear objective of reaching an operational and financial status that does not require an ongoing government subsidy but could transition to a rent subsidy agreement that is not an ongoing subsidy.

Ontario Priorities Housing Initiative

OPHI focuses on addressing local housing priorities, including affordability, repair, and new construction.

Rental

Project eligibility criteria includes new construction, including additions and renovations; acquisitions and rehabilitation of existing residential buildings and conversion of non-residential buildings or units into purpose-built rental buildings/units. Construction of new rental housing for social housing redevelopment is also eligible. Eligible projects must be non-profit, municipal, co-operative developments or partnerships.

Units must be modest in size and amenities relative to other housing in the community. Units are expected to be self-contained. Proponents who wish to develop congregate living buildings (rooms with shared living spaces) for supportive housing may be eligible for program funding and should provide a rationale to receive funding.

Projects must start within 120 days of signing a Municipal Contribution Agreement, have units that are at or below the Canada Mortgage and Housing Corporation (CMHC) Average Market Rent (AMR) for the community for a minimum of 20 years, and the project's weighted average rent must be at or below 80% of CMHC AMR.

Homeownership

The Homeownership component aims to assist low to moderate-income renter households to purchase affordable homes by providing down payment assistance in the form of a forgivable loan.

Specific objectives are:

- To provide renter households with an opportunity to move into homeownership;
- To ease the demand for rental housing by assisting renter households to purchase affordable homes; and
- To encourage non-profit affordable homeownership developers to build affordable ownership units.

Eligible households must be at or below the 70th percentile income with a purchase price of a home must not exceed the average resale price. Both eligibility thresholds are provided to the Service Manager by the Ministry.

Ontario Renovates

The Ontario Renovates component provides financial assistance to renovate and/or rehabilitate affordable ownership and rental properties including community housing.

The objectives of Ontario Renovates are:

- To improve the living conditions of households in need through financial assistance to repair deficiencies in affordable ownership and rental properties including community housing;
- To foster independent living of seniors and persons with disabilities by providing financial assistance to support modifications and renovations to increase the accessibility of affordable rental and ownership properties; and
- To increase the supply of affordable rental housing by assisting to create secondary suites in existing single-family homes.

Rental Assistance

The objective of the Rental Assistance component is to address affordability issues of households in rental units across the province.

The Rental Assistance component consists of three streams:

- Rent Supplement;
- Housing Allowance Direct Delivery; and
- Housing Allowance Shared Delivery.

A Rent Supplement is a subsidy paid to the landlord on behalf of a household in need of rental assistance. A Housing Allowance is a subsidy paid directly to a household in need of rental assistance. Housing Allowance payments may be made directly to landlords where the recipient has chosen this approach and provided written direction and consent.

Housing allowances or rent supplements are intended to promote housing stability for tenants who would otherwise face affordability challenges and potential homelessness.

Housing Support Services

The objective of the Housing Support Services component is to ensure housing retention, greater self-reliance, and social inclusion for tenants.

Support services are an important component for tenants who may need extra support, either temporary or permanent, to achieve housing stability. Housing stability translates

in to improved health outcomes, and less reliance on other emergency services, while promoting social inclusion.

Service Managers may not exceed five percent (5%) of the three-year funding allocation for the Housing Support Services component.

Administrative Funding

Service Managers may use up to 5% of their total funding allocation to assist with the administration of the COCHI and OPHI programs as established within the Investment Plan.

Summary of Available Use of Funding

Capital Expenditures	COCHI	OPHI
New Supply	<p style="text-align: center;">✓</p> <ul style="list-style-type: none"> • Community Housing New Construction • Community Housing Acquisition and/or Rehabilitation • Community Housing Conversion 	<p style="text-align: center;">✓</p> <ul style="list-style-type: none"> • Affordable Rental New Construction • Affordable Rental Acquisition and/or Rehabilitation • Affordable Rental Conversion • Social Housing • Affordable Homeownership
Repair	<p style="text-align: center;">✓</p> <ul style="list-style-type: none"> • Social Housing 	<p style="text-align: center;">✓</p> <ul style="list-style-type: none"> • Affordable Ownership Housing • Affordable Rental Housing • Social Housing
Homeownership Down Payment Assistance	X	✓
Operating Expenditure		
Rent Supplements	✓	✓
Housing Allowances	X	✓
Support Service	X	✓
Transitional Operating Funding for Housing Providers	✓	X

Investment Plan

Each Service Manager is required to develop and submit an Investment Plan that outlines how the funding allocations will be used over the 2023-24 funding period. The Ministry requires the Investment Plan to support the objectives and key outcomes of the program. The Investment Plan is intended to outline the broad activities to be taken, the amount of funding to be used, and the amount requested for administration.

Proposed Allocation of COCHI and OPHI Funding

The proposed Investment Plan focuses on responding to the housing pressures in the community and within the current housing systems. The Investment Plan allocations are designed to specifically address:

- The lack of affordable housing units;
- Supporting Social Housing Providers that are approaching their end of operating agreements or mortgage maturity;
- The need for repairs and investments in social housing;
- The need for home modifications and repair for those at risk of losing their existing homes; and
- Support needed by individuals and families waiting to be housed within Community Housing

The following represents the proposed Investment Plan to support the access to new units and housing stability initiatives:

COCHI Component	2023-24
Repair	\$4,169,550
Administration (5% Max)	\$219,450
Total	\$4,389,000

OPHI Component	2023-24
Rental	\$2,412,836
Ontario Renovates	\$200,000
Housing Supplements	\$75,000
Administration (5% Max)	\$141,464
Total	\$2,829,300

The above Investment Plan is similar to last years' except we have reduced the OPHI Housing Supplements and Housing Support Services to shift consolidation efforts under the Housing Stability Services (HSS) portfolio. Last year's OPHI Housing Supplement investment was \$150,000 and Housing Support Services was \$228,223. Both of these changes do not impact the level of investment or service attributed to rent supplements or housing supports as the reduced investment is offset by additional investment from the HSS service area.

3.0 Financial Impact/Considerations

3.1 Funding

Funding for COCHI and OPHI is funded 100% by the Province however the COCHI program guidelines require municipal social housing expenditures, to at a minimum, match the total annual COCHI allocation provided. The municipal expenditures included in the 2023-24 Multi-year Budget are sufficient to meet the program matching requirement resulting in no financial impact on the City's budget.

Service Managers may use up to 5% of the COCHI and OPHI funding to assist with the administration cost of the program.

Conclusion

As the Service Manager, the proposed Investment Plan is being submitted as the housing program investments for the 2023-34 program year. The Investment Plan will be monitored by Municipal Housing Development and Housing Stability Services and other stakeholders to ensure alignment with the Housing Stability Action Plan and other local plans.

Prepared by: Elizabeth Yih-Hutchison, CPA, CGA, BA
Manager, Housing Administration & Support

Reviewed by: Dave Purdy
Manager, Housing Services

Submitted by Matt Feldberg, MPA, CET
Director, Municipal Housing Development

Recommended by: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic
Development

Appendix 'A' – Bylaw

Schedule 'I' – COCHI-OPHI 2023-24 Transfer Payment Agreement

CC: Craig Cooper, Director, Housing Stability Services
Kyle Murray, Director, Finance and Business Supports

2023

A by-law to approve the Ontario Transfer Payment Agreement between His Majesty the King in right of Ontario as represented by the Minister of Municipal Affairs and Housing and The Corporation of the City of London for the provision of funding under the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative for the 2023-2024 and 2024-2025 fiscal years; and to authorize the Mayor and City Clerk to execute the Agreement

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001* provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Ontario Transfer Payment Agreement between His Majesty the King in right of Ontario as represented by the Minister of Municipal Affairs and Housing and The Corporation of the City of London for the provision of funding under the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative for the 2023-2024 and 2024-2025 fiscal years ("Agreement") attached hereto as Schedule I is hereby authorized and approved.
2. The Mayor and City Clerk are authorized to execute the Agreement approved under section 1 of this by-law.
3. The Deputy City Manager, Planning and Economic Development is authorized to approve any future amending agreements to the Agreement between His Majesty the King in Right of Ontario as represented by the Minister of Municipal Affairs and Housing and The Corporation of the City of London with respect to the provision of funding under the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative for the 2023-2024 and 2024-2025 fiscal years.
4. The Mayor and Clerk are authorized to execute any future amending agreements to the Agreement between His Majesty the King in Right of Ontario as represented by the Minister of Municipal Affairs and Housing and The Corporation of the City of London with respect to the provision of funding under the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative for the 2023-2024 and 2024-2025 fiscal years.
5. The Deputy City Manager, Planning and Economic Development, or their written designate, is authorized to approve and execute any reports and Investment Plan required under the Agreement.

6. This by-law comes into effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Passed in Open Council on October 17, 2023 subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading –
Second Reading –
Third Reading –