

Report to Community and Protective Services Committee

To: Chair and Members,
Community and Protective Services Committee Meeting

From: Scott Mathers, Deputy City Manager, Planning and Economic Development

Subject: Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) Approval of Ontario Transfer Payment Amending Agreement

Date: May 31, 2022

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 June 14, 2022 to:
 - (a) **AUTHORIZE** and **APPROVE** an Amending Agreement between The Corporation of the City of London and Her Majesty the Queen in right of Ontario as represented by The Ministry of Municipal Affairs and Housing substantially in the form attached as (Schedule “A” to the by-law) and satisfactory to the City Solicitor, for the purpose of approving the Ontario Transfer Payment Amending Agreement for the Canada-Ontario Community Housing Initiative and Ontario Priorities Housing Initiative;
 - (b) **AUTHORIZE** the Mayor and the City Clerk to execute the Agreement authorized and approved in part a), above; and
 - (c) **AUTHORIZE** the Deputy City Manager, Planning and Economic Development, or their written designate, to approve and execute such further and other documents, including an Investment Plan and agreements, that may be required in furtherance of this Agreement.

Executive Summary

On April 27, 2022, The Ministry of Municipal Affairs and Housing confirmed the City of London Service Manager’s COCHI and OPHI 2022-23 funding allocations. As a result, the City of London will receive a COCHI allocation of \$2,862,452 and OPHI allocation of \$2,887,700.

This report provides an overview of the proposed Investment Plan allocations to support the 2022-23 housing program activities.

Linkage to the Corporate Strategic Plan

2019-2023 Strategic Plan for the City of London

Administering the Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) Amending Agreement links to the Corporate Strategic Plan’s key area of focus of Strengthening Our Community, specifically:

- Increase Affordable and Quality of Housing Options; and
- Reduce the Number of Individuals and Families Experiencing Chronic Homelessness or At Risk of Becoming Homeless

Housing Stability for All: The Housing Stability Action Plan for the City of London (2019 – 2024)

London's Homeless Prevention and Housing Plan, Housing Stability for All: The Housing Stability Action Plan for the City of London (Housing Stability for All Plan), is the approved guiding document for homeless prevention and housing in the City of London and was developed in consultation with Londoners.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- 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

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 2022-23 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 Background

The Service Manager is required to develop and submit an Investment Plan that outlines how the funding allocation will be used during the 2022-23 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.

COCHI

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 and to begin stabilizing the supply of community housing through new development, repairs, renovations, and operating support.

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).

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.

OPHI

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

The components of OPHI include:

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.

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 and municipalities are required to reduce the property tax rate for rental housing projects at a rate equivalent to or below the single residential rate for the area or provide a grant in lieu of the property tax reduction.

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.

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	✓	✓

	<ul style="list-style-type: none"> • Community Housing New Construction • Community Housing Acquisition and/or Rehabilitation • Community Housing Conversion 	<ul style="list-style-type: none"> • Affordable Rental New Construction • Affordable Rental Acquisition and/or Rehabilitation • Affordable Rental Conversion • Social Housing • Affordable Homeownership
Repair	<ul style="list-style-type: none"> ✓ • Social Housing 	<ul style="list-style-type: none"> ✓ • Affordable Ownership Housing • Affordable Rental Housing • Social Housing
Homeownership Down Payment Assistance	✗	✓
Operating Expenditures		
Rent Supplements	✓	✓
Housing Allowances	✗	✓
Support Services	✗	✓
Transitional Operating Funding for Housing Providers	✓	✗

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 2022-23 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 services needed by individuals and families housed or 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	2022 - 2023
Repair	\$2,719,400
Administration (5% Max)	\$143,052
Total	\$2,862,452

OPHI Component	2022 - 2023
Rental	\$2,393,316
Ontario Renovates	\$200,000
Housing Supplements	\$150,000
Administration (5% Max)	\$144,384
Total	\$2,887,700

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 2020-2023 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 OHPI funding to assist with the administration cost of the program.

Conclusion

As the Service Manager, the proposed Investment Plan will be monitored by Municipal Housing and Housing Stability Services and other stakeholders to ensure alignment with the Homeless Prevention and Housing Plan and other local plans.

Prepared by: Dave Purdy, Manager, Municipal Housing, Planning and Economic Development

Submitted by: Patrick Cooper, Director, Municipal Housing Development

Recommended by: Scott Mathers, Deputy City Manager, Planning and Economic Development