
REPORT TITLE: Ontario's Community Housing Renewal Strategy – Phase 2 Funding

FROM: Sean Baird, Commissioner of Human Services

RECOMMENDATION

That Capital Projects in the amount of \$3,103,832 (including administration costs) be established with Phase 2 Canada-Ontario Community Housing Initiative funding for 2022-2023, to fund capital repairs for community housing providers;

And further, that the Director of Housing Services be given delegated authority to approve and execute the Region of Peel's Investment Plan, and all ancillary documents, to be submitted to the Ministry of Municipal Affairs and Housing outlining how funding allocations for Phase 2 Canada-Ontario Community Housing Initiative and Ontario Priorities Housing Initiative funding will be used;

And further, that the Director of Housing Services be authorized to execute Project Funding Agreements with community housing providers for Phase 2 Canada-Ontario Community Housing Initiative funding in an amount up to \$2,948,640, and any related amendments, or agreements for increases to this funding, provided such Project Funding Agreements, related amendments and other agreements are on business terms satisfactory to the Director of Housing Services and on legal terms satisfactory to the Regional Solicitor;

And further, that the Commissioner of Human Services be authorized to execute an Ontario Priorities Housing Initiative Contribution Agreement (Contribution Agreement) with Peel Housing Corporation in the amount of \$6,923,125, together with any related amendments, or agreements for increases in Ontario Priorities Housing Initiative funding, and such further agreements or ancillary documents as may be necessary to provide funding for the East Avenue Redevelopment project, provided the Contribution Agreement and such further amendments, agreements and ancillary documents are on business terms satisfactory to the Commissioner of Human Services and on legal terms satisfactory to the Regional Solicitor;

And further, that Capital Project 175033 (958-960 East Avenue Redevelopment) funding source be changed from Regional Housing Reserve (R1160) to Ontario Priorities Housing Initiative funding in the amount of \$7,287,500 (including administration costs) to reduce the funding gap in the Housing Master Plan.

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REPORT HIGHLIGHTS

- On March 7, 2022, the Region of Peel received notification of the 2022-2023 funding allocations for provincially delivered programs, from the Ministry of Municipal Affairs and Housing.
 - The Region of Peel has received a total allocation of \$10,391,332 for the 2022-2023 funding period for the Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) programs.
 - Through this report, staff is seeking Council approval for delegated authority to approve the use of the COCHI funding for capital repairs with community housing provider buildings and the OPHI funding for the redevelopment of the East Avenue project within Peel's Housing Master Plan.
 - Staff is also seeking Council's approval to provide the Director of Housing Services with delegated authority to approve the Investment Plan, and all ancillary documents, for both COCHI and OPHI that will be submitted to the Ministry of Municipal Affairs and Housing.
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DISCUSSION

1. Background

On September 4, 2019, Regional Council approved the participation by the Region of Peel in Ontario's Community Housing Renewal Strategy. The strategy was outlined in the Council Report titled "Ontario's Community Housing Renewal Strategy" dated September 4, 2019, and included two housing specific funding programs: the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI). Program descriptions can be found in appendix I.

On March 7, 2022, the Region of Peel received notification of the funding allocation for these provincially delivered programs, from the Ministry of Municipal Affairs and Housing (MMAH) for 2022-2023. This report seeks Council approval for delegated authority to approve the use of the 2022-2023 COCHI funds for capital repairs for community housing providers and the OPHI funds to support the completion of the East Avenue affordable development project.

In order to receive funding under these programs the Region of Peel is required to develop an Investment Plan which outlines how COCHI and OPHI funding allocations will be used over the funding period. Investment Plans must be Council or delegated authority approved. This report seeks delegated authority for the Director of Housing Services to approve the Region of Peel's Investment Plan, and all ancillary documents, for both the COCHI and OPHI programs.

2. Ontario's Community Housing Renewal Strategy

Ontario's Community Housing Renewal Strategy is a multi-year plan to stabilize and grow Ontario's community housing sector. The strategy has a nine-year funding window and is being delivered in 3 three-year funding periods:

- Phase 1 – 2019/2020 through 2021/2022

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- Phase 2 – 2022/2023 through 2024/2025
- Phase 3 – 2025/2026 through 2027/2028

The Region of Peel has received a total allocation of \$10,391,332 for the 2022-2023 funding period for COCHI and OPHI. The table below shows the total funding allocation provided to the Region of Peel for both programs:

| Program | 2022-2023 Allocation |
|---|-----------------------------|
| Canada-Ontario Community Housing Initiative (COCHI) | \$3,103,832 |
| Ontario Priorities Housing Initiative (OPHI) | \$ 7,287,500 |
| Total Annual Allocations | \$10,391,332 |

Service Managers can use up to five per cent of each of the annual funding allocations for administrative costs for delivering the respective programs.

3. The Canada-Ontario Community Housing Initiative Program

The Canada-Ontario Community Housing Initiative has been designed to provide Service Managers with flexibility to address issues related to community housing providers reaching the end of their mortgage maturity.

With this federal-provincial funding, staff is recommending the following:

| Year | Program Component | Funding Amount (excluding 5% admin costs) | Funding Use |
|-----------------|--------------------------|--|---|
| One (2022-2023) | Capital – Repair | \$2,948,640 | <p>Capital Repairs to support state of good repair needs for 10 to 12 external community housing provider properties.</p> <p>Capital Repair projects include replacement of boilers, flooring, fencing and emergency generator systems.</p> <p>Consultation efforts to prioritize immediate capital work are underway with housing providers. Through this process we will confirm scope of work and costs.</p> <p>The 5% administration fee will be used to fund a position that supports the state of good repair for</p> |

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| | | | community housing providers. |
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4. The Ontario Priorities Housing Initiative Program

In this program, Service Managers have the flexibility to allocate funding to the program components that will help to meet their local needs. This funding is targeting new affordable rental construction, community housing repair, tenant supports and affordable homeownership.

With this funding, staff recommend the following:

| Year | Program Component | Funding Amount (excluding 5% admin costs) | Funding Use |
|-----------------|--------------------------|---|---|
| One (2022-2023) | Capital – rental housing | \$6,923,125 | Capital funding for the East Avenue Redevelopment Project. The 5% administration fee will be used to support staffing costs associated with the redevelopment of the site. |

RISK CONSIDERATIONS

Over the last two decades, the provincial government has significantly decreased funding into the housing system. This has affected the pace of the development of new affordable housing. It also increases the risk to Peel taxpayers as the Region of Peel may need to increase investments in the housing system to protect the current housing stock and to build new affordable housing.

This funding will assist the Region of Peel to support major capital repairs that are essential in maintaining the housing stock in a state of good repair.

The MMAH has not yet provided copy of the Investment Plan and guidelines. Although MMAH staff have verbally advised no changes will occur seeking approval prior to full review may result in rework. However, timing is critical for to support capital use.

FINANCIAL IMPLICATIONS

A Capital Project in the amount of \$3,103,832 (including administration costs) will be established to account for Phase 2 COCHI funding for 2022-2023, to fund capital repairs for community housing providers.

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Capital Project 175033 (958-960 East Avenue Redevelopment) will be changed from Regional Housing Reserve (R1160) to this additional OPHI funding in the amount of \$7,287,500 (including administration costs), to reduce the funding gap in the Housing Master Plan.

CONCLUSION

Ontario's Community Housing Renewal Strategy includes two funding programs; COCHI and OPHI.

The Region of Peel has received a total allocation of \$10,391,332 for the 2022-2023 funding period for the COCHI and OPHI programs.

Through this report, staff is seeking Council approval for delegated authorities to approve the use of the COCHI funding for capital repairs with community housing provider buildings and the OPHI funding for the redevelopment of the East Avenue project within Peel's Housing Master Plan. Staff also recommends Council provide the Director of Housing Services with delegated authority to approve the Investment Plan, and all ancillary documents, for both COCHI and OPHI that will be submitted to the Ministry of Municipal Affairs and Housing.

Authored By: Laura Simpson, Specialist, Housing Supply