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

FROM: Sean Baird, Commissioner of Human Services

RECOMMENDATION

- 1. That the Commissioner of Human Services be granted authority to accept funding from the Ministry of Municipal Affairs and Housing (“Ministry”) under Phase 2 of the Canada-Ontario Community Housing Initiative (“COCHI”) and Ontario Priorities Housing Initiative (“OPHI”) funding programs in the amount of up to \$9,655,100 for 2023-2024 and the estimated amount of \$13,134,200 for 2024-2025 for COCHI, and up to \$7,240,700 for 2023-2024 and the estimated amount of \$6,986,400 for 2024-2025 for OPHI, and authority to accept any increases to such funding under those programs; and**
- 2. That the Commissioner of Human Services be granted authority to execute the Ontario Transfer Payment Agreements for COCHI/OPHI with the Ministry, and any extensions or amendments thereto, provided such Transfer Payment Agreement, extensions or amendments are on business terms satisfactory to the Commissioner of Human Services and on legal terms satisfactory to the Regional Solicitor and Commissioner of Legislative Services; and**
- 3. That Capital Project 235033 be established to increase gross expenditures and gross revenue in the amount of \$5,500,000 (including administration funding) to account for Phase 2 Canada-Ontario Community Housing Initiative funding, with no net impact; and**
- 4. That the Director of Housing Services be given delegated authority to approve and execute the Region of Peel’s Investment Plan, as amended or updated from time to time, and all ancillary documents, to be submitted to the Ministry of Municipal Affairs and Housing outlining how funding allocations for Phase 2 COCHI and OPHI funding will be used; and**
- 5. That the Director of Housing Services be authorized to execute Project Funding Agreements with community housing providers for Phase 2 COCHI funding 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 Commissioner of Legislative Services; and**

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- 6. That the Commissioner of Human Services be authorized to execute OPHI Contribution Agreement (“Contribution Agreement”) with Peel Housing Corporation in the amount of up to \$7,240,700 for 2023-2024 funding allocation, together with any related amendments, or agreements for increases in OPHI funding, and such further agreements or ancillary documents as may be necessary to provide funding for the Chelsea Gardens development 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 Commissioner of Legislative Services; and**
- 7. That the 2023 Housing Support gross expenditure and revenue be increased by \$3,116,325 to account for Phase 2 Canada-Ontario Community Housing Initiative funding, with no net impact; and**
- 8. That the Chelsea Gardens capital project 195037 gross expenditures and gross revenue be increased by \$7,240,700, to account for Phase 2 Ontario Priorities Housing Initiative funding, with no net impact.**

REPORT HIGHLIGHTS

- Ontario's Community Housing Renewal Strategy is a multi-year plan to stabilize and grow Ontario's community housing sector.
- The strategy includes 3 funding streams which includes the Canada-Ontario Community Housing Initiative (COCHI), the Ontario Priorities Housing Initiative (OPHI) and the Canada-Ontario Housing Benefit (COHB).
- The Region of Peel has received an allocation of \$16,895,800 for the 2023-2024 and \$20,120,600 for the 2024-2025 funding periods for the Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) programs.
- Peel's total COHB allocation for 2023-24 is \$3,039,100, however the Region does not receive funding for this program, as it is administered by the province directly.
- Through this report, staff is seeking Council approval to use the allocated COCHI and OPHI funds to build more and maintain existing community housing stock, including Peel Housing Corporation.
- Staff is also seeking Council approval to provide the Director of Housing Services with delegated authority to approve the Investment Plan, and all ancillary documents, pertaining to Phase 2 for both COCHI and OPHI that will be submitted to the Ministry of Municipal Affairs and Housing.
- While the COCHI and OPHI programs provide much needed funding to build and maintain Peel's community housing system, significant funding gaps remain, and ongoing advocacy is needed to secure more funding from the federal and provincial governments to address Peel's needs.

DISCUSSION

1. Background

Ontario's Community Housing Renewal Strategy – Phase 2 Funding Allocations

Ontario's Community Housing Renewal Strategy is a multi-year plan to stabilize and grow Ontario's community housing sector. The strategy includes 3 funding streams which includes the COCHI, the OPHI and the COHB.

On April 30, 2018, Ontario and the Canada Mortgage and Housing Corporation (CMHC) signed a Bilateral Agreement as part of the National Housing Strategy. This agreement is a cost-sharing initiative between both parties to fund these programs.

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 entitled "Ontario's Community Housing Renewal Strategy".

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

On August 17, 2023, the Region of Peel received the funding allocation letter for Phase 2 of these programs from the Ministry. This letter is attached as Appendix I.

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 provides Council with recommendations about how to allocate the funds. This report also seeks approval for the Director of Housing Services to be delegated the authority to approve the Region of Peel's Investment Plans, and all ancillary documents, for both the COCHI and OPHI programs. This authority is consistent with other funding programs such as Reaching Home and the Homelessness Prevention Program (HPP).

2. Overview of Funding Programs

The objective of COCHI is to stabilize and grow the supply of community housing through regeneration & expansion, repairs, renovations, and operating support. COCHI funding is intended to support housing providers that can demonstrate their potential for long-term sustainability.

The objective of OPHI is to provide Service Managers, such as the Region of Peel, with flexibility to address local housing priorities, including affordability, repair, and new construction.

The COHB program is a federal-provincial housing allowance program that is meant to increase the affordability of rental housing by providing a portable housing benefit payments directly to eligible households in housing need. As COHB funding is paid directly to qualified households from the province, the Region of Peel does not receive funding for COHB. As such, additional information regarding this program is not included within this report. The Region's total allocation for 2023-24 is \$3,039,100.

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3. Funding Allocations

The Region of Peel received a total of \$29,909,216 for Phase 1.

Funding Year	Canada-Ontario Community Housing Initiative (COCHI)	Ontario Priorities Housing Initiative (OPHI)
2019-2020	\$1,465,636	\$ 9,910,600
2020-2021	\$1,818,358	\$ 5,134,400
2021-2022	\$3,587,022	\$ 7,993,200
Total Program Funding	\$6,871,016	\$ 23,038,200

The Region of Peel will receive a total of \$47,407,732 for Phase 2. This is a 58 per cent increase in funding from Phase 1, which will help to address operating pressures within Peel Housing Corporation and address the state of good repair needs of Peel's community housing system.

Funding Year		Canada-Ontario Community Housing Initiative (COCHI)	Ontario Priorities Housing Initiative (OPHI)
2022-2023		\$ 3,103,832	\$7,287,500
2023-2024	Confirmed	\$ 9,655,100	\$7,240,700
2024-2025	Planned	\$13,134,200	\$6,986,400
Total Program Funding		\$25,893,132	\$21,514,600

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

4. 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.

Staff recommends the following uses:

Year	Program Component	Funding Amount	Funding Use
One (2023-2024)	Capital Repair	\$5,500,000	Capital Repairs to support state of good repair needs for 10 to 12 external community housing provider properties.

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	Operational Subsidy	\$4,155,100	Consultation efforts to prioritize immediate capital work are underway with housing providers. Through this process we will confirm scope of work and costs.
Two (2024-2025)	Capital Repair and/or Operational Subsidy	\$13,134,200	Operational Subsidy to support PHC's internally funded subsidy program. Capital Repairs and/or Operational Subsidy for PHC

5. 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	Funding Use
One (2023-2024)	Capital – rental housing	\$7,240,700	Capital funding for the Chelsea Gardens project.
Two (2024-2025)	Capital – rental housing	\$6,986,400	Capital funding for projects within Peel's Community and Supportive Housing Development Program or Non-Profit Housing Development Program

RISK CONSIDERATIONS

The COCHI and the Ontario Priorities Housing Initiative OPHI help to build and maintain the community housing stock in Peel, including PHC. However, and as previously reported to Council, over the next 10 years, the projected gross capital repair needs for Peel Housing Corporation, the 46 external community housing providers and Peel owned housing is \$872 million, of which \$678 million is unfunded. Moreover, an additional \$225 million is required to fully fund 12 development projects within Peel's Community and Supportive Housing

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Development Program. Significantly more funding is needed from the federal and provincial governments to address Peel's needs.

BILL 112 RISKS AND IMPLICATIONS

In the report from the Chief Administrative Officer, listed on the June 8, 2023, Regional Council agenda titled "Bill 112 – Managing Through the Transition", Regional Council endorsed principles for approaching the 2024 budget and existing workplans. Community housing was included as a top priority for service continuity. COCHI and OPHI are core funding programs for Housing Services and essential to maintaining services throughout the transition period. As the implications of Bill 112 unfold, timelines, contracts and negotiations with housing providers may be impacted. Staff will endeavour to mitigate risks as they emerge, to minimize the impact on the residents of Peel who live in and are supported by Peel's community housing system.

FINANCIAL IMPLICATIONS

The Region of Peel has received a total allocation of \$16,895,800 for the 2023-2024 funding period for Phase 2 of COCHI and OPHI programs.

Capital project 235033 will be established with Phase 2 Canada-Ontario Community Housing Initiative in the amount of \$5,500,000 (including admin funding) for 2023-2024 to fund capital repairs for community housing providers.

Staff is recommending that the 2023 Housing Support gross expenditure and revenue be increased by \$3,116,325 to account for additional Canada-Ontario Community Housing Initiative funding, which will fund operational subsidy at PHC. The proposed 2024 Housing Support budget will include \$1,038,775 in expenditure and revenue to fund operational subsidy at PHC.

Staff is also recommending that the Chelsea Gardens capital project 195037 gross expenditures and gross revenue be increased by \$7,240,700, to account for additional Ontario Priorities Housing Initiative funding.

CONCLUSION

The Region of Peel has received a total allocation of \$16,895,800 for the 2023-2024 and \$20,120,600 for the 2024-2025 funding periods for the COCHI and OPHI programs.

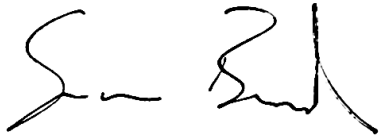
This report provides Council with recommendations about how to allocate the funds. This report also seeks approval for the Director of Housing Services to be delegated the authority to approve the Region of Peel's Investment Plans, and all ancillary documents, for both the COCHI and OPHI programs.

While the COCHI and OPHI programs provide much needed funding to build and maintain Peel's community housing system, significant funding gaps remain, and ongoing advocacy is needed to secure more funding from the federal and provincial governments to address Peel's needs.

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APPENDICES

Appendix I – Peel's Allocation Letter



Sean Baird, Commissioner of Human Services

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