



City of
Peterborough

To: **Members of the General Committee**

From: **Sandra Clancy, CAO and Acting Commissioner of Community Services**

Meeting Date: **June 10, 2019**

Subject: **Report CSSS19-005
Housing and Homelessness – April 2019 Provincial Budget
Update and Funding Approval**

Purpose

A report seeking approval for the receipt and use of funding under the Ontario Priorities Housing Initiative and the Canada-Ontario Community Housing Initiative.

Recommendations

That Council approve the recommendations outlined in Report CSSS19-005 dated June 10, 2019 of the CAO and Acting Commissioner of Community Services, as follows:

- a) That the Mayor and Clerk be authorized to enter into a Transfer Payment Agreement with the Ministry of Municipal Affairs and Housing for the Ontario Priorities Housing Initiative and Canada-Ontario Community Housing Initiative as well as any related project, program and delivery agreements with private and non-profit organizations;
- b) That the Commissioner of Community Services be delegated the authority to approve the Ontario Priorities Housing Initiative and Canada-Ontario Community Housing Initiative Investment Plans and Sustainability Plan to be submitted annually to the Ministry of Municipal Affairs and Housing; and

- c) That the Commissioner of Community Services be delegated the authority to report to the Ministry of Municipal Affairs and Housing on quarterly financial commitments and revisions to the multi-year spending plan as necessary.

Budget and Financial Implications

The Canada-Ontario Community Housing Initiative (COCHI), Ontario Priorities Housing Initiative (OPHI) and Investment in Affordable Housing (IAH) are 100% federal and provincial funding. The Community Homelessness Prevention Initiative (CHPI) and Home for Good programs are 100% provincial funding.

Peterborough has received a three-year allocation of funds under these programs. The Ministry of Municipal Affairs and Housing's allocation letter is attached as Appendix A. A summary of the funding allocations is below in Chart 1:

Chart 1
Funding Allocations 2018-19 to 2021-22

| | Program | 2018-19 Confirmed Allocation | 2019-20 Confirmed Allocation | 2020-2021 Planning Allocation | 2021-2022 Planning Allocation |
|---|---|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| 1 | Canada-Ontario Community Housing Initiative (COCHI) | N/A | \$296,581 | \$234,185 | \$281,529 |
| 2 | Ontario Priorities Housing Initiative (OPHI) | N/A | \$1,224,000 | \$634,100 | \$987,200 |
| 3 | Investment in Affordable Housing for Ontario 2014 Extension (IAH) | \$1,629,900 | \$776,900 | N/A | N/A |
| 4 | Community Homelessness Prevention Initiative (CHPI) | \$3,380,790 | \$3,380,790 | \$3,413,935 | \$3,413,935 |
| 5 | Home for Good - Operating | \$983,236 | \$983,236 | \$983,236 | \$983,236 |

Funding for COCHI and OPHI is available only after a Transfer Payment Agreement is signed and approved Initial Investment Plan is submitted to the Ministry of Municipal Affairs and Housing. The deadline to submit the Initial Investment Plan is September 13, 2019.

Transfer Payment Agreements and Investment Plans are already approved and in place for the IAH, CHPI and Home for Good programs (PLHDJSSC14-003, C55SJSSC14-007, and C55SJSSC17-005).

Background

Ontario's Community Housing Renewal Strategy

On April 17, 2019, the province of Ontario launched the Community Housing Renewal Strategy, a nine-year plan to support and enhance community housing. Community Housing is defined as "housing that is owned and operated by non-profit housing corporations and housing co-operatives or housing owned directly or indirectly by provincial, territorial or municipal governments or district social services administration boards and includes Social Housing." Social Housing refers to the 16 independent non-profit housing providers and Peterborough Housing Corporation. A list of Social Housing Providers in the City and County of Peterborough is included as Appendix B.

The Community Housing Renewal Strategy announcement also provided funding allocations for programs that were offered under the previous provincial government: The Community Homelessness Prevention Initiative (CHPI) and Home for Good.

Two new programs are being launched under this strategy, leveraging federal investments under the bilateral agreement between the Ministry of Municipal Affairs and Housing and Canada Mortgage and Housing Corporation. These new programs are called the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative.

Canada-Ontario Community Housing Initiative

The Canada-Ontario Community Housing Initiative (COCHI) is intended to replace federal funding that was projected to decrease under the Social Housing Agreement between the federal government and the Province of Ontario. Allocations under this program are equivalent to the amount of funding to Service Managers that would be reduced year over year.

The objectives of COCHI for the first three years of the program (2019-20 to 2021-22) are to protect tenants in projects with expiring operating agreements/mortgages and to stabilize the supply of community housing through repairs, renovations and operating support. COCHI funding is intended to support social housing providers that can demonstrate their potential for long-term sustainability.

Eligible operating expenses under COCHI include rent supplements for tenants of social housing where expiry of operating agreements may result in increased rents. As well, transitional operating subsidy may be offered to help a housing provider manage immediate costs that will enable them to be sustainable into the future.

Eligible capital costs under COCHI include repairs and replacement of building systems, and carrying out health and safety repairs, including accessibility renovations.

Priorities for repair and renewal projects for funding under COCHI will be identified using the Asset Planner database, data for which will be updated in 2020 with data from scheduled Building Condition Assessments.

Ontario Priorities Housing Initiative (OPHI) – Program Components

OPHI offers the following program components:

1. Rental Housing (funding to build new rental housing)
2. Homeownership (assistance for renter households to purchase a home)
3. Ontario Renovates (renovation assistance for low- and moderate-income homeowners)
4. Rental Assistance (rent supplement)
5. Housing Support Services (supports for people to retain housing and live independently)

Service Managers have the flexibility to select the components they will deliver each year using their OPHI annual funding allocations.

This program is modelled after previous programs, such as the Investment in Affordable Housing, but there are several additions and changes that will impact decision-making around the use of funds.

Ontario Priorities Housing Initiative (OPHI) – New Features

Support Service funding is a new component that was not available under previous affordable housing programs. Up to 5% of the three-year funding allocation may be used for the Support Service component. Service Managers will also be allowed to provide funds to develop non-residential space, including common areas and services used directly with the residential accommodation, such as office space for support service providers. Up to 30% of the total available space in a rental housing project may be used for non-residential purposes. Under previous programs, non-residential space was not eligible for funding.

Private developers who are not engaged in a partnership with the municipality, a non-profit or co-operative will not be eligible for Rental Housing component funding. To be eligible, projects must be non-profit, municipal or co-operative developments, or partnerships. OPHI program guidelines state that Canada Mortgage and Housing Corporation is offering other programs – for example, the National Housing Co-Investment Fund – to support the development of affordable units by private developers.

The Ministry of Municipal Affairs and Housing is interested in focusing OPHI funding on the development of community housing that will provide longer-term public benefit. New priorities for target populations have been added to the Ontario Priorities Housing Initiative program, including:

- People with mental health or addictions issues
- Those who are homeless or at risk of homelessness
- Veterans
- Racialized groups

Priorities identified in previous programs are also included in the OPHI, including:

- Seniors
- People with disabilities
- Indigenous peoples
- Survivors of domestic violence
- Recent immigrants
- Working poor

A new non-profit affordable homeownership option for the Homeownership component is also introduced in the OPHI. Homeownership component funding may be provided to non-profit affordable home ownership providers for the construction of affordable ownership units to help providers secure and reduce the cost of construction financing.

COCHI and OPHI Investment Plan

Service Managers are required to submit an Investment Plan to outline how the annual COCHI and OPHI funding allocations will be used over the first three-year funding period (2019-20 to 2021-22). The Investment Plan will identify which COCHI and OPHI components will be delivered in each year, and how the selected components will address the priorities identified in their 10-year Housing and Homelessness Plan. The Investment Plan is also expected to demonstrate value for money and prudent use of public funds.

Investment in Affordable Housing 2014 Extension

2019-20 is the last year of the funding allocation for the Investment in Affordable Housing 2014 Extension (IAH). This funding will provide Rent Supplements for an average of 21 households until 2025. IAH has also helped 64 renters become homeowners, and 131 homeowners do repairs and accessibility upgrades. IAH funding has been allocated to build below-market rental housing, some examples include: the Mount Community Centre, Brock Mission, Peterborough Housing Corporation's McRae and Havelock projects, CB Rubidge, the Loyola on Edinburgh Street. A summary of the allocations and expenditures under this program is included in Appendix C.

CHPI and Home for Good

Allocations and program guidelines for CHPI and Home for Good were largely unchanged. An increase to CHPI that was announced for 2019-20 was delayed to 2020-21. Home for Good funding is unchanged from previous commitments.

Canada-Ontario Housing Benefit

A new Canada-Ontario Housing Benefit is being developed between the Province and the Canada Mortgage and Housing Corporation. Documentation suggests that the benefit may begin in April 2020. This program has the potential to provide stability for households that are in current programs but are projected to end in 2023-24.

10-Year Housing and Homelessness Plan

The announcement of the Community Housing Renewal Strategy comes before the City's the 5-year Review of the 10-Year Housing and Homelessness Plan (the Plan) is completed. The amended Plan will provide clear priorities for spending under all four of these funding streams.

While the amended Plan is not complete, through the consultation, two key priorities were identified both by the community and by third-party consultants: the need to end chronic homelessness and build more housing – particularly supportive housing for people who have been chronically homeless.

An operational review of Peterborough's housing and homelessness system identified permanent supportive housing for people who have been chronically homeless as a key resource that's missing in the City and County of Peterborough. Current Housing First programs, that help people who have been chronically homeless to obtain and retain housing, are attempting to do so in an outreach, scattered-site model. This approach is less cost-effective and person-centred than permanent supportive housing with on-site supports. The lack of permanent supportive housing also puts pressure on the shelter system. A lack of options to move out of shelter and into housing means that more people stay in homelessness longer, ultimately increasing their need for supports.

The City has made it a practice to consult with community stakeholders to discuss priorities for new Housing and Homelessness funding. Given the extensive consultation that was conducted for the Plan, which included establishing short- and long-term priorities, a new consultation on funding priorities is not recommended at this time. Staff will consider both the relevant evidence and data as well as the input from community consultations with community members, agency staff, and people with lived experience of homelessness.

A version of this report is also being submitted to the June 13, 2019 meeting of the Joint Services Steering Committee. Due to the timing and importance, the report could not go to Joint Services Steering Committee before going to a General Committee meeting.

Summary

The Community Housing Renewal Strategy confirms the Province of Ontario's commitment to the sustainability of existing community housing as well as the development of new housing. New program flexibilities are well-aligned help to create supportive homes for the most vulnerable, a key requirement for ending chronic homelessness in the City and County of Peterborough.

Submitted by,

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Attachments:

Appendix A: Allocation Letter
Appendix B: Social Housing Providers
Appendix C: IAH Funding 2014-20