

Subject: Canada-Ontario Community Housing Initiative (2023-2025)

File Number: ACS2023-CSS-GEN-003

Report to Planning and Housing Committee on May 17, 2023

and Council on May 24, 2023

Submitted on May 5, 2023 by Clara Freire, Interim General Manager – Community and Social Services

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Ward: Citywide

Objet : Initiative Canada-Ontario de logement communautaire (2023-2025)

Dossier : ACS2023-CSS-GEN-003

Rapport au Comité de la planification et du logement

Le 17 mai 2023

et au Conseil le 24 mai 2023

Soumis le 5 mai 2023 par Clara Freire, Directrice générale par intérim – Services sociaux et communautaires

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That Planning and Housing Committee recommend Council approve:

- 1. That the Director, Housing Services be delegated the authority to approve, and submit to the Ministry of Municipal Affairs and Housing, on a quarterly basis, the City's Canada-Ontario Community Housing Initiative (COCHI) Investment Plan based on the details of the program and the spending plan outlined in this report.**

2. That the Director, Housing Services, be delegated authority to reallocate funding from one Canada-Ontario Community Housing Initiative stream and component to another within the same program year if the original planned commitment for funding as outlined within the approved Plan cannot be met, and to obtain Ministry approval for such reallocation where required, in keeping with the process outlined within the report.
3. That in the event additional funding becomes available under the Canada-Ontario Community Housing Initiative due to any reallocation by the Ministry, the Director, Housing Services, be delegated authority to amend the Investment Plan and allocate the additional funding in keeping with the process outlined in this report.
4. That the Director, Housing Services, be delegated authority to approve and submit the City's Canada-Ontario Community Housing Initiative Sustainability Plan to the Ministry of Municipal Affairs and Housing, listing each funded capital repair component project and demonstrating the long-term sustainability of the housing provider receiving the funding.
5. That the Director, Housing Services be delegated the authority to allocate all Canada-Ontario Community Housing Investment funding for Phase II provided such allocations are in accordance with the provincial guidelines, the Investment Plan and the priorities set out in this report.

RECOMMANDATIONS DU RAPPORT

Que le Comité de la planification et du logement recommande au Conseil d'approuver :

1. que le directeur, Services de logement se voie déléguer le pouvoir d'approuver et de soumettre au Ministère des affaires municipales et du Logement, sur une base trimestrielle, le plan d'investissement de la Ville pour l'Initiative Canada-Ontario de logement communautaire en fonction des détails du programme et du plan de dépenses décrit dans ce rapport.
2. que le directeur, Services de logement se voie déléguer le pouvoir de réaffecter des fonds d'un volet et d'une composante de l'Initiative Canada-Ontario de logement communautaire à un autre au cours d'un même exercice si le budget initial prévu dans le plan approuvé ne peut être respecté, et de faire approuver cette réaffectation par le Ministère au besoin, conformément au processus décrit dans le présent rapport.

3. que si des fonds supplémentaires se libèrent dans le cadre de l'Initiative Canada-Ontario de logement communautaire en raison d'une réaffectation par le Ministère, le directeur, Services de logement se voie déléguer le pouvoir de modifier le plan d'investissement et d'attribuer les fonds supplémentaires selon le processus établi dans le présent rapport.
4. que le directeur, Services de logement se voie déléguer le pouvoir d'approuver et de présenter au Ministère le plan de viabilité de l'Initiative Canada-Ontario de logement communautaire, qui présente tous les projets de réparation financés et qui démontre la viabilité à long terme du fournisseur de logement qui reçoit le financement;
5. que le directeur, Services de logement se voie déléguer le pouvoir d'attribuer tous les fonds de la phase II de l'Initiative Canada-Ontario de logement communautaire, pourvu que ces attributions soient faites en conformité avec les lignes directrices provinciales, le plan d'investissement et les priorités décrites dans le présent rapport.

EXECUTIVE SUMMARY

Assumption and Analysis

The Canada-Ontario Community Housing Initiative (COCHI) is a provincial and federal program that protects affordability for households in community housing, supports the repair and renewal of existing social housing supply and expands the supply of community housing over time. Phase I (2019 to 2022) of this initiative and the first year of Phase II (2022-2023) allocated \$37,160,509 to the City of Ottawa. As outlined in the previous reports to Council (Council Report [ACS2019-CSS-GEN-0010](#)) dated September 11, 2019 and (Council Report [ACS2022-CSS-GEN-006](#)) dated April 27, 2022, COCHI funds were allocated towards both capital and transitional operating expenses.

The Capital Stream allocation funded community housing repairs such as elevator modernization, structural and building envelope, balcony repairs, roof repairs, window replacements, fire safety and fire escapes, ramps, asphalts and sidewalk repairs, and foundation repairs. In Phase I (April 2019 to March 2022), the Capital Stream allocated \$21,005,308 to fund 92 projects, which assisted 4,132 units. The first year of Phase II, the Capital Stream allocation of \$12,345,202 funded 67 projects, which assisted 2,364 units.

The Transitional Operating Stream allocation provided funding for building condition assessments and energy audits, the merger of housing providers/assets, funds for Urban Native Housing Programs. The allocation also supported Social Housing Providers who are at or near End of Agreement or End of Mortgage to explore approaches for long-term sustainability. In Phase I (April 2019 to March 2022), the Transitional Operating Stream allocated \$2,110,000 to fund 95 projects which assisted 6,364 units. The first year of Phase II, the Transitional Operating Stream allocation of \$1,000,000 funded 25 projects, which assisted 3,207 units.

On February 3, 2023, the province announced the planned allocation for the remaining two (2) years of Phase II of the program. The City's planned allocation is \$15,274,500 for 2023-2024 and \$16,535,500 for 2024-2025 to address community housing priorities.

This report outlines the proposed investment plan for the remaining years of Phase II (2023-2025) of the Canada-Ontario Community Housing Initiative totaling \$31,810,000.

The proposed investment plan advances the goal that "Everyone has a home" in the City's 10 Year Housing and Homelessness Plan includes the objective to "preserve the existing affordable housing stock". This report provides a short-term strategy to use available funding to advance long term affordability and sustainability of existing community housing through capital repair and transitional operating funding activities to achieve this objective of preserving the existing affordable housing stock.

Financial Implications

The Investment Plan described in this report allocates \$31,810,000 over the next 2 years (April 1, 2023, to March 31, 2025) to invest in social housing capital repairs and retrofits (\$28.2 million), transitional operating funding activities (\$2 million) and program administration (\$1.6 million). According to provincial guidelines, funding from one COCHI component may be moved to another component in the same program year, if the original planned commitment for funding as outlined within the approved Plan cannot be met.

Under those same guidelines, capital repair funding must be used to fund capital repair and retrofit projects within the prescribed social housing portfolio. Transitional operating funding will fund asset management planning services, business operations analysis, property tax reassessments, support Urban Native Housing Provider projects and assist interested housing providers in forming partnerships and/or merge with other community housing to create sector efficiencies.

One limitation of this program is that funds cannot be used to offset municipal social housing subsidy expenditures. Funds must be used in addition to existing municipal social housing subsidy expenditures and must be fully disbursed to the recipient in the program year in which the funding was committed.

Public Consultation/Input

The Housing System Working Group, consisting of representatives from social, co-operative and supportive housing providers, tenant advocates, support services, emergency shelters, health services, funders as well as the private landlords, were consulted after the announcement from the province in April 2019 of the Community Housing Renewal Strategy. Once the parameters of the COCHI program were released in May 2019, these stakeholders were consulted and provided input to determine the actions required to promote long-term sustainability and viability of existing community housing as well as the funding priorities and commitments recommended in this report. City of Ottawa staff are recommending this stakeholder group continues to be consulted to inform the allocations for Phase II (2023-2025).

RÉSUMÉ

Hypothèses et analyse

L'Initiative Canada-Ontario de logement communautaire (ICOLC) est un programme des gouvernements provincial et fédéral qui vise à préserver l'abordabilité des logements communautaires, à financer la réparation et la rénovation des logements sociaux existants et à accroître l'offre de logements communautaires au fil du temps. Dans la phase I (2019 à 2022) et pour le premier exercice de la phase II (2022-2023), la Ville d'Ottawa a reçu 37 160 509 \$. Comme en font état les rapports précédemment présentés au Conseil (rapport [ACS2019-CSS-GEN-0010](#) daté du 11 septembre 2019 et rapport [ACS2022-CSS-GEN-006](#) daté du 27 avril 2022), les fonds ont été consacrés à des dépenses en immobilisations et à des dépenses de fonctionnement transitoire.

Les fonds octroyés au titre du volet pour les immobilisations ont servi à financer des travaux dans les logements communautaires (modernisation d'ascenseurs, réparation à la structure et à l'enveloppe de bâtiment, aux balcons et aux fondations, remplacement de fenêtres, amélioration de la sécurité-incendie et des issues de secours, et réfection de toits, de rampes, de l'asphalte et de trottoirs). À la phase I (avril 2019 à mars 2022), ce sont 21 005 308 \$ qui ont été alloués au titre de ce volet, ce qui a permis de financer 92 projets dont ont bénéficié 4 132 logements. Pour le premier exercice de la phase II,

12 345 202 \$ ont été versés au titre de ce volet, ce qui a permis de financer 67 projets visant 2 364 logements.

Les fonds du volet de fonctionnement transitoire ont été utilisés pour financer des évaluations de l'état des bâtiments et des vérifications énergétiques, des fusions de fournisseurs de logements ou d'actifs et le Programme de logement pour les Autochtones en milieu urbain, et pour aider les fournisseurs de logements sociaux dont l'entente ou l'hypothèque était arrivé ou arrivait à échéance à explorer des solutions pour atteindre la viabilité à long terme. À la phase I (avril 2019 à mars 2022), ce sont

2 110 000 \$ qui ont été alloués au titre de ce volet, ce qui a permis de financer 95 projets dont ont bénéficié 6 364 logements. Quant au premier exercice de la

phase II, 1 000 000 \$ ont été versés au titre de ce volet, ce qui a permis de financer 25 projets visant 3 207 logements.

Le 3 février 2023, le gouvernement provincial a annoncé les allocations prévues pour les deux derniers exercices de la phase II du programme. La Ville devrait recevoir

15 274 500 \$ en 2023-2024 et 16 535 500 \$ en 2024-2025 pour s'attaquer aux priorités dans le secteur du logement communautaire.

Le présent rapport décrit le plan d'investissement proposé pour les derniers exercices de la phase II (2023-2025) de l'Initiative Canada-Ontario de logement communautaire, investissements qui totalisent 31 810 000 \$.

Le plan d'investissement proposé contribue à la réalisation de la priorité « Veiller à ce que tous aient un chez-soi » du Plan décennal de logement et de lutte contre l'itinérance de la Ville, qui comprend l'objectif de « préserver le parc de logements abordables ». Le présent rapport fait état d'une stratégie à court terme qui privilégie l'affectation des fonds disponibles à des activités de réfection des immobilisations et de fonctionnement transitoire qui concourront à l'abordabilité et à la viabilité à long terme des logements communautaires actuels.

Répercussions financières

Le plan d'investissement décrit aux présentes prévoit pour les deux prochains exercices (du 1^{er} avril 2023 au 31 mars 2025) des investissements de 31 810 000 \$ dans le logement communautaire pour la réparation et la modernisation des immobilisations (28,2 millions de dollars), des activités de fonctionnement transitoire (2 millions de dollars) et l'administration du programme (1,6 million de dollars). Selon les lignes directrices provinciales, il est permis de réaffecter le fonds d'un volet de l'ICOLC à un

autre volet au cours du même exercice si le budget initial prévu dans le plan approuvé ne peut être respecté.

Toujours selon ces lignes directrices, les fonds pour la réparation des immobilisations doivent être affectés à des projets de réfection et de modernisation qui s'inscrivent dans le portefeuille du logement social. Les fonds de fonctionnement transitoire doivent servir à financer la gestion des actifs, l'analyse des opérations commerciales, les réévaluations foncières et les projets des fournisseurs de logements pour les Autochtones en milieu urbain, et à aider les fournisseurs de logements qui souhaitent former des partenariats ou fusionner avec d'autres logements communautaires pour que le secteur gagne en efficacité.

Toutefois, le financement ne doit pas servir à couvrir les dépenses en subventions au logement social de la Ville, mais plutôt s'y ajouter, et être entièrement versé au bénéficiaire pendant l'exercice au cours duquel il a été accordé.

Consultation publique/commentaires

Le Groupe de travail sur les systèmes de logement, qui se compose de représentants de fournisseurs de logements avec services de soutien, de fournisseurs de logements sociaux, de coopératives d'habitation, de groupes de représentation des locataires, de services de soutien, de refuges d'urgence, de services de santé, de bailleurs de fonds de même que de propriétaires privés, a été consulté après l'annonce de la Stratégie de renouvellement du secteur du logement communautaire par la province en avril 2019. Une fois les paramètres de l'ICOLC rendus publics en mai 2019, ces parties intéressées ont pu donner leurs commentaires lors de consultations, lesquels ont servi à déterminer les besoins et ressources nécessaires à la pérennité et à la viabilité à long terme des logements communautaires actuels et à formuler les recommandations du présent rapport quant aux priorités de financement et aux engagements financiers. Le personnel de la Ville recommande de continuer à consulter ce groupe pour orienter l'allocation du financement de la phase II (2023-2025).

BACKGROUND

On September 25, 2013, City Council approved a 10-Year Housing and Homelessness Plan entitled [*A Home for Everyone*](#). The plan provides a framework to address housing affordability and availability, the coordination of homelessness and related supports services and homelessness prevention. There are three (3) priorities under the plan:

- Everyone has a home

- People get the support they need
- We work together

The three (3) priorities were reaffirmed in the Five-Year Review of the 10-Year Housing and Homelessness Plan report (Council Report [ACS2020-CSS-GEN-006](#)) dated July 15, 2020. Support from all levels of government is required to sustain these priorities.

The first priority “Everyone has a home” sets out 3 objectives:

- Preserve the existing affordable housing stock
- Increase the affordable housing supply
- Increase access to housing affordability

The COCHI supports a short-term strategy using available funding to advance long term affordability and sustainability of our existing community housing. The objective “Preserve the existing affordable housing stock” is achieved through COCHI capital repair and transitional operating funding activities.

On April 30, 2018, the government of Ontario and the Canada Mortgage and Housing Corporation (CMHC) signed a Bilateral Agreement under the National Housing Strategy (NHS). This agreement provides an opportunity to align federal funds with the priorities of Ontario’s new Community Housing Renewal Strategy, which was announced by the provincial government in April 2019. Consistent with the Provincial Community Housing Renewal Strategy, the nine-year National Housing Strategy investments will be delivered in three funding periods: Phase I (2019 to 2022), Phase II (2023 to 2025) and Phase III (2026 to 2028). This funding directly supports the priorities of our 10-Year Plan.

Phase II of the Community Housing Renewal Strategy includes the following two programs:

- 1) Canada-Ontario Community Housing Initiative (COCHI) - to protect affordability for households in social housing, support the repair and renewal of existing social housing supply, and to expand the supply of community housing over time; and
- 2) Ontario Priorities Housing Initiative (OPHI) - to address local housing priorities, including affordability, repair and new construction

The COCHI funding represents a re-investment of federal funding that has been declining under the Canada-Ontario Social Housing Agreement and provides an

opportunity for Municipal Service Managers¹ and housing providers to address the challenges associated with social housing communities (now referred to as Community Housing) reaching the end of their operating agreements and/or mortgage maturity.

This report is being brought forward to obtain delegated authority to approve the Investment Plan, the Sustainability Plan and related priorities for Phase II of the COCHI, as per the provincial funding requirements (Table 1).

Table 1: Phase II of the Canada-Ontario Community Housing Initiative

Phase II	Year 1 (2022-23)	Year 2 (2023-24)	Year 3 (2024-25)
Funding	\$14,045,201	\$15,274,500	\$16,535,500

The COCHI is modelled after similar, previous social housing capital repair and energy efficiency programs, such as the Social Housing Apartment Improvement Program (SHAIP), and similar previous rental affordability programs, such as those within the Investment in Affordable Housing for Ontario Program Extension 2014. An innovative feature of the COCHI is the addition of the transitional operating funding component to address asset management planning services, business operational analysis and to enable acquisitions and mergers of social housing providers.

The COCHI offers four optional components within two funding streams: Capital and Operating. Service Managers may choose to deliver all options, one option or any combination of the four (see Table 2). Once funding is allocated within a component, if the original planned commitment for funding cannot be met, it can be re-allocated within the stream to the other component without the need for provincial approval, or to the other funding stream with provincial approval.

Table 2: Canada-Ontario Community Housing Initiative Capital and Operating Components

Capital Stream	Operating Stream
New Build Component	Rent Supplement Component
Repair Component	Transitional Operating Component

¹ Municipal Service Managers (MSMs) are responsible for delivering and administering social and affordable housing and in many cases also deliver homelessness initiatives. MSMs are also responsible for administering social service programs (e.g., Ontario Works, Child Care).

Eligibility Criteria:

The Canada-Ontario Community Housing Initiative funding has the following eligibility criteria:

- must be used solely by social housing providers/projects that are listed as a “Transferred Housing Program” in Schedule 1, Regulation 367/11 of the *Housing Services Act, 2011*;
- cannot be used to offset municipal social housing subsidy expenditures; it must be used in addition to existing municipal social housing subsidy expenditures; and
- must be fully disbursed to the recipient in the program year in which the funding was committed.

Allocation:

The following discussion provides the rationale and proposed outline for the allocation of the COCHI funding based on the City’s priorities and demands as reflected in the City’s “10-Year Plan”, (Council Report [ACS2020-CSS-GEN-006](#)) dated July 15, 2020. The plan includes strategies to modernize our community housing. Staff will continue to engage with the housing sector, as well as the provincial and federal governments, to find ways to leverage City, community and private sector capacity with programs under the National Housing Strategy and to support a sustainable community housing in the long term.

Proposed Canada-Ontario Community Housing Initiative Investment Plan

Staff recommend that the Canada-Ontario Community Housing Initiative funding be allocated toward both the capital and the operating streams as follows:

Table 3: Canada-Ontario Community Housing Initiative Phase II Investment Plan

Social Housing Planned Allocations - \$45,855,201

Program Component	2022-23	2023-2024	2024-2025
New Supply	Funded under OPHI	Funded under OPHI	Funded under OPHI
Capital Repair	\$12,345,201	\$13,510,775	\$14,708,725

Transitional Operating	\$1,000,000	\$1,000,000	\$1,000,000
Administration Fees 5%	\$700,000	\$763,725	\$826,775
Total Annual Canada-Ontario Community Housing Initiative Funding	\$14,045,201	\$15,274,500	\$16,535,500

The recommended use of funds will support the priorities of our 10-Year Housing and Homelessness Plan. Under the Capital Stream, funding priority would be given to capital repairs that address health and safety concerns, legislative compliance, structural integrity, energy efficiency and/or accessibility requirements. Under the repair component in 2023-2024, \$500K is prioritized specifically for accessibility repairs.

Under the Transitional Operating Stream, funding will provide an opportunity for social housing providers to access funding for tools, assessments and studies to support and demonstrate long-term viability and sustainability such as: asset management planning services, business streamlining and shared services, analysis and assessment of operations, enabling acquisitions and mergers of housing providers/assets, support Urban Native Housing Programs and property tax reassessments.

The New Build Component of the Capital stream is not being included as part of this report because affordable rental construction, acquisition, and conversion of community housing has been addressed by the Ontario Priorities Housing Initiative Program (OPHI), as approved by Council on June 26, 2019 ([ACS2019-CSS-GEN-008](#)) and (Council Report [ACS2022-CSS-GEN-011](#)) dated June 8, 2022. The remaining Phase II OPHI allocation will be included in the upcoming Affordable Housing Capital Plan Report to be submitted to Planning & Housing Committee and Council in Q2 2023.

Staff recommend the delegated authority be provided to the Director, Housing Services, to reallocate funding from one COCHI component and/or stream to another within the same program year if the original planned commitment for funding cannot be met.

In making these recommendations consideration has been given to the requirement that funding must be used, in addition to existing municipal social housing subsidy expenditures, and fully disbursed to the recipient in the program year in which the funding was committed. The recommended funding allocation ensures funding can be

fully committed, expended, meet reporting requirements and timelines as outlined within the program guidelines.

Staff will continue to monitor the Investment Plan, housing providers take-up of funds and provide amendments to the Ministry of Municipal Affairs and Housing as required to ensure all funding is fully utilized.

The funding allocation process being proposed is in keeping with previous Council-approved Social Housing Local Rules, Housing Benefits and Capital Programs.

DISCUSSION

As legislated within the *Social Housing Reform Act, 2000* and then the successor *Housing Services Act, 2011*, the City of Ottawa, as Service Manager is responsible to administer ten (10) social housing programs that were originally developed under federal and/or provincial funding programs between the early 1960's to 1996. These programs include two (2) rent supplement programs, and eight (8) social housing programs that provide one or more of the following subsidies: operating, capital, mortgage, property tax, rent-geared-to-income assistance or rental assistance in the form of lower-than-average rents. Each program has unique program guidelines and associated funding formulas. The City is also required to maintain a minimum of 16,502 rent-geared-to-income (RGI) units on an ongoing basis.

Most of the above social housing programs will reach the end of their operating agreement and/or mortgage obligations within the next 7 years. Many programs originally developed by the federal funding programs have already started to expire and will continue to expire over the next few years. Consequently, the City of Ottawa, as Service Manager, will be responsible for funding the capital repair shortfall for social housing providers once they have reached the end of their operating agreement and/or mortgage. Capital repair funding programs such as the Housing and Homelessness Investment Plan (HHIP) and COCHI are essential to assist in preserving Ottawa's social housing stock.

It is recognized that significant current and ongoing capital repair funding is required to maintain the social housing stock in a good state of repair. In 2022, social housing providers submitted over \$30 million in capital repair funding requests for the 2022 Housing and Homelessness Investment Plan (HHIP) Capital Repair Program. The funding request surpassed the \$3 million funding available under the 2022 HHIP capital program. Capital repair need greatly exceeds available capital funding. All social housing providers would benefit from access to capital repair funding in the upcoming 2

years of Phase II (2023-2025) of the COCHI. Housing Services Staff will bring a community housing capital need report to Council in Q1 2024, outlining the current state of the social housing portfolio and the projected capital repair and regeneration need of the portfolio over the next 20-30 years.

When allocating capital repair, renovation and regeneration funding, the Director, Housing Services, will enter into project funding agreements with funded housing providers. This secures the provision of affordability of the funded housing project for a ten (10) year period, including a minimum of five (5) years during which it will operate as social housing under the *Housing Services Act, 2011*.

Funding under the COCHI has been designed to address programs that are reaching or have reached the end of their operating agreement, and the end of the associated traditional legislated federal funding for these programs. COCHI funding must be used to:

- preserve Urban Native housing units – no net loss of units
- protect, regenerate and expand social housing, through repairs, renovations and regeneration
- reduce housing need in social housing by protecting rent-geared-to-income tenants/members in non-profit and co-operative housing projects with expiring operating agreements and/or mortgages
- support social housing providers that can demonstrate their potential for long-term sustainability

As COCHI funding cannot be used to offset municipal social housing subsidy expenditures, but instead must be used in addition to existing municipal social housing subsidy expenditures, the focus for Phase II of the funding must be on programs that have either already lost legislated federal funding or will lose federal funding over the next three (3) years.

Over the next two (2) years (being Phase II of the COCHI) the primary programs that are subject to end of operating agreements and the loss of federal funding are:

- Urban Native Housing Programs
- Commercial Rent Supplement Program (Private Landlords and Non-Profits)
- Public Housing Program (Ottawa Community Housing Corporation)
- Municipal Non-Profit and Private Non-Profit Housing (Section 95 Programs)

Since 2018, there has been a corresponding reduction in expenditures for most of these programs which has offset the loss of federal funding. Based on the affected housing programs identified above, the recommended primary and secondary priorities for the COCHI funding, are outlined below.

Primary Use of Canada-Ontario Community Housing Initiative Funding Urban Native Housing Programs:

Housing Providers administered under Urban Native Programs are the most affected by the loss of legislated federal funding. Urban Native Program guidelines have prevented these housing providers from generating annual or accumulated operating surpluses, or from accumulating significant capital reserves. The housing stock is scattered across the city and in many cases, units need significant capital repair. Up to 100% of households require substantive rent-geared-to-income assistance to make their rental unit affordable for them.

In Phase 1 of the COCHI, Housing Providers administered under Urban Native Housing Programs received \$855K for capital repair projects and \$580K in transitional operating funding.

The Urban Native Programs will significantly benefit from access to capital repair funding in Phase II of the COCHI to ensure the long-term viability and preservation of the urban native housing stock.

Public Housing Program:

Overall costs associated with the Public Housing Program have continued to grow, but costs associated with the federally funded component of the program, that being debentures (lending instrument instead of a mortgage) and the number of scattered single, duplex, triplex, four-plex, and six-plex properties have decreased. This is due in part to the full payment of certain debentures and the sale of scattered unit properties within the Public Housing portfolio. This portfolio is currently under target for the number of rent-geared-to-income (RGI) units they are required to maintain. Despite being a 100% RGI program, some households are choosing to remain in their unit and pay the market rent. As such, there is no need for additional rent supplements within the Public Housing program for the foreseeable future. This program may benefit from access to capital repair funding in Phase II of the COCHI.

Private Non-Profit and Municipal Non-Profit Programs:

Costs within the private Non-Profit and Municipal Non-Profit (Section 95 programs) have decreased and in most cases have been eliminated in recent years, as the primary cost for these programs was a mortgage subsidy. Most mortgages have reached their full amortization term, resulting in the full mortgage pay-out and expiry. As these projects do not require ongoing operating subsidy from the City, a primary incentive to preserve these projects as affordable community housing will be access to capital repair funding in Phase II of the COCHI.

Commercial Rent Supplement Program:

Costs within the Commercial Rent Supplement Program, and the associated Community Sponsored Rent Supplement Program (both receiving federal funds), have not increased throughout Phase I of the funding because of a continued high demand rental market. This demand is reflected through low vacancy rates (2.1% in 2022) and associated low unit turnover and increasing average market rents above typical norms as noted in the Canada Mortgage Housing Corporation's 2022 Market Rental Report. Due to the low turnover, there are fewer rental units available and when vacancy occurs private market landlords are less interested in participating in the rent supplement program, due to the very high revenue potential, and the low administrative requirements associated with a market unit. This trend is not anticipated to change over the next two (2) years.

As the COCHI funding is only available to prescribed social housing providers within the *Housing Services Act, 2011* even if private market landlords were to become interested in providing new rent supplement units, this funding could not be used to create rent supplements within the private sector.

Transitional Operating Funding Initiative:

The COCHI requires social housing providers to demonstrate long-term sustainability to receive funding. The Transitional Operating Funding component under the Operating Stream of the program provides an opportunity for social housing providers to access funding for tools, assessments and studies to support and demonstrate long-term viability and sustainability. This funding includes:

- support Urban Native Housing Provider projects that have had their mortgages and/or their operating agreements mature by continuing the operating subsidy to ensure no loss of the housing stock and ensure affordability for affected units

- asset management planning services, including Building Condition Assessments and Asset Planner forecasting software
- data migration tools for portfolio analysis and integration of Information Technology (IT) systems
- business streamlining and shared services
- analysis and assessment of operations
- enabling acquisitions and mergers of housing providers/assets to improve operating efficiencies and economies of scale
- property tax reassessment

Use of these tools and strategies is encouraged to support a sustainable and vibrant community housing portfolio in the long-term. Some tools such as Asset Planner software and organizational assessment templates are already in use. An integrated housing IT system to support the community housing portfolio and centralized wait list will be implemented in Q1 2024.

The Director, Housing Services, will allocate COCHI funding for Phase II of the Program to Operating Stream projects that meet the requirements of the Program, based on priorities and programs identified in this report.

Discussion Summary:

In keeping with provincial priorities, City staff are recommending the following priorities for the COCHI funding:

1) Capital repair funding to:

- Urban Native providers for projects near the end of their operating agreement and/or mortgage maturity, to ensure no loss of units and protect the urban native stock through repair and capital replacement;
- Prescribed social housing providers for projects near the end of their operating agreement and/or mortgage maturity, to protect the social housing stock through repair and capital replacement; and
- Incentivize housing providers with expiring operating agreements to continue to provide affordable housing and remain listed as a social housing provider in the *Housing Services Act, 2011*, under the administration of the City of Ottawa

- 2) Capital repair funding for other prescribed social housing projects to protect and regenerate social housing through repairs and renovations; and
- 3) Short-term transitional operating funding for initiatives to support social housing provider long-term viability, operating efficiencies, and economies of scale.

The funding under this program is intended to help preserve both the existing social housing stock and the number of households currently in receipt of rental assistance within the prescribed social housing portfolio. The selection of projects will be prioritized based on those that best meet the priorities of the program and as further detailed in the proposed Investment Plan above.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the report recommendations.

LEGAL IMPLICATIONS

There are no legal impediments to the implementation of the report recommendations. The Canada-Ontario Community Housing Initiative allows for Council to delegate the authority to approve and submit the Investment Plan and the Sustainability Plan.

COMMENTS BY THE WARD COUNCILLOR(S)

N/A

ADVISORY COMMITTEE(S) COMMENTS

N/A

CONSULTATION

In early 2010, the Housing Systems Working Group (HSWG) was created to provide guidance and support to the City's Housing Services in the development and implementation of its 10-Year Housing and Homelessness Plan. The HSWG membership includes representatives from a broad range of sectors including social housing (non-profit and co-ops), shelters, housing and homelessness supports and prevention, supportive housing, Ontario Health, Community Health and Resource Centres, the Royal Ottawa Hospital and the Eastern Ontario Landlord Organization.

Committee members have been actively involved in the implementation of the 10-Year Housing and Homelessness Plan since its inception, which commenced on January 1st, 2014. The HSWG was consulted on the development of the proposed allocations.

In addition to the HSWG, staff have also consulted with the Modernization of Community Housing Working Group, comprised of various leaders and stakeholders in the not for profit/co-operative housing sectors and tenancy advocacy sector, that provide guidance and input on the Legislated Five-Year Review of the 10-Year Housing and Homelessness Plan report (Council Report [ACS2020-CSS-GEN-006](#)) dated July 15, 2020, as it pertains to Community Housing.

ACCESSIBILITY IMPACTS

Accessibility will be one of the priorities for capital repair funding within the Canada-Ontario Community Housing Initiative.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications associated with the recommendations of the report.

CLIMATE IMPLICATIONS

There are no climate implications, associated with the recommendation of the report.

ECONOMIC IMPLICATIONS

Between April 1, 2022, and March 31, 2023, Canada-Ontario Community Housing Initiative funding resulted in \$12,345,201 for construction related projects in the City. The upcoming two (2) years of Phase II (2023-2025) will result in \$28,219,500 for construction related projects in the City.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications in the recommendations of the report.

INDIGENOUS GENDER AND EQUITY IMPLICATIONS

COCHI prioritizes Urban Native Housing Providers to preserve units and to ensure there is no net loss of units with adequate rental affordability and that retained units will be improved through repair and/or capital replacement. This contributes to reconciliation by increasing housing stability.

GENDER AND EQUITY IMPLICATIONS

There are no gender and equity implications in the recommendations of the report.

RISK MANAGEMENT IMPLICATIONS

As part of a comprehensive risk mitigation strategy, staff will monitor expenditures closely and take the necessary proactive steps to ensure the financial viability and completion of projects and maximize the use of available funds to avoid any loss in funding.

RURAL IMPLICATIONS

There are no rural implications in the recommendations of the report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with the recommendations of the report.

TERM OF COUNCIL PRIORITIES

The recommendations of this report support the 2019-2022 Strategic Plan: Thriving Communities priority. The City is committed to ensuring that Ottawa residents have access to safe, adequate and affordable housing. The recommendations will specifically enhance the City's ability to sustain existing social housing within our community housing portfolio.

SUPPORTING DOCUMENTATION

N/A

DISPOSITION

The COCHI funding will be used to advance the objectives of the City's 10-Year Housing and Homelessness Plan, as they pertain to supporting the long-term viability of our community housing portfolio and by promoting housing stability and rental affordability for our residents.

The Director, Housing Services, will submit the COCHI Investment Plan and the associated Sustainability Plan to the Ministry of Municipal Affairs and Housing.

The Director, Housing Services, will allocate COCHI funding for Phase II of the Program, to capital repairs and operating components that meet the requirements of the Program, based on priorities identified in this report.

The Director, Housing Services, with the assistance of Legal Services, will enter into contribution agreements with funded housing providers to secure the provision of affordability of the funded housing projects for a 10-year period, including a minimum of five years during which, it will operate as social housing under the *Housing Services Act, 2011*.

Housing Services staff will continue to consult with provincial Ministry of Municipal Affairs and Housing staff to further explore proposed amendments to the *Housing Services Act, 2011* to support community housing renewal and modernization.