

3. **Canada-Ontario Community Housing Initiative (2022-2023)**
Initiative Canada-Ontario de logement communautaire (2022-2023)

COMMITTEE RECOMMENDATION

That 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. 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.

RECOMMANDATION DU COMITÉ

Que le Conseil approuve :

1. que le directeur, Services du 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 du 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 du

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 du 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 du 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.**

DOCUMENTATION/DOCUMENTATION

1. Donna Gray, General Manager – Community and Social Services, dated April 8, 2022 (ACS2022-CCS-GEN-0006).

Donna Gray, Directrice générale – Services sociaux et communautaires, daté le 8 avril 2022 (ACS2022-CCS-GEN-0006)

2. Extract of Draft Minutes, Community and Protective Services Committee, dated April 21, 2022.

Extrait de l'ébauche du procès-verbal, Comité des services communautaires et de protection, le 21 avril 2022.

**COMMUNITY AND PROTECTIVE
SERVICES COMMITTEE
REPORT 25
27 APRIL 2022**

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**COMITÉ DES SERVICES
COMMUNAUTAIRES
ET DE PROTECTION
RAPPORT 25
LE 27 AVRIL 2022**

**COMMUNITY AND PROTECTIVE
SERVICES COMMITTEE
REPORT 25
27 APRIL 2022**

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**COMITÉ DES SERVICES
COMMUNAUTAIRES
ET DE PROTECTION
RAPPORT 25
LE 27 AVRIL 2022**

Subject: Canada-Ontario Community Housing Initiative (2022-2023)

File Number: ACS2022-CSS-GEN-006

**Report to Community and Protective Services Committee on 21 April 2022
and Council 27 April 2022**

**Submitted on April 8, 2022 by Donna Gray, General Manager – Community and
Social Services**

Contact Person: Saide Sayah, Acting Director, Housing Services

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Ward: Citywide

Objet : Initiative Canada-Ontario de logement communautaire (2022-2023)

Dossier : ACS2022-CSS-GEN-006

Rapport au Comité des services communautaires et de protection

le 21 avril 2022

et au Conseil le 27 avril 2022

**Soumis le 8 avril 2022 par Donna Gray, Directrice générale – Services sociaux et
communautaires**

Personne ressource : Saide Sayah, directeur intérimaire, Services de logement

613-580-2424 poste 16366, saide.sayah@ottawa.ca

Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That Community and Protective Services 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. 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 des services communautaires et de protection recommande au Conseil d'approuver :

- 1. que le directeur, Services du 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 du 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 du 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 du 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 du 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 social 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 the Canada-Ontario Community Housing Initiative allocated \$22,433,427 to the City of Ottawa. In Phase I, the City of Ottawa received an additional allocation of \$681,881 from the province due to other municipalities not fully expending their funding. As outlined in the previous report to Council (Council Report ACS2019-CSS-GEN-0010) dated September 11, 2019, the 2019-2022 Canada-Ontario Community Housing Initiative funds were allocated towards both capital or operating expenses:

The Capital Stream allocation funded community housing repairs such as elevator modernization, structural, building envelope and balcony repairs, roof repairs, window replacements, fire safety and fire escapes, ramps, asphalts and sidewalk repairs, and foundation repairs. The Capital Stream allocated \$21,005,308 over the 3 years and funded 92 projects, which assisted 4,132 units.

The Transitional Operating Stream allocation provided funding for Building Condition Assessments and Energy Audits, merger of housing providers/assets, funds for Urban Native Housing Programs and supported Social Housing Providers who are at or near End of Agreement or End of Mortgage to explore approaches for long-term sustainability. The Transitional Operating Stream allocated \$2,110,000 over the 3 years funding 95 projects which assisted 6,364 units.

In August 2021, the province announced the planned allocations the first year of Phase II of the program and the City's allocation of \$14,045,201 for 2022-2023 to address priorities in the areas of community housing. On March 7, 2022, the province

announced that the planned allocation remained unchanged. The City is awaiting for the Transfer Payment Agreement before allocating funds.

This report outlines the proposed investment plan for the first year of Phase II (2022-2023) of the Canada-Ontario Community Housing Initiative. The City's 10 Year Housing and Homelessness Plan includes a community housing modernization strategy. This report provides a short-term strategy to use available funding to advance long term affordability and sustainability of our existing community housing through capital repair, and transitional operating funding activities.

Financial Implications

The Investment Plan described in this report allocates \$14,045,201 in community housing funding over the next year (April 1, 2022, to March 31, 2023) to invest in social housing capital repairs and retrofits (\$12.3 million), transitional operating funding activities (\$1 million) and administration (\$0.7 million). Funding from one Canada-Ontario Community Housing Initiative 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.

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 merging with other community housing to create sector efficiencies.

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 needs and requirements 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 (2022-2025).

RÉSUMÉ

Hypothèses et analyse

L'Initiative Canada-Ontario de logement communautaire (ICOLC), un programme conjoint entre les gouvernements provincial et fédéral, vise à préserver l'abordabilité des logements sociaux, à financer la réparation et la rénovation des logements sociaux actuels et à accroître l'offre de logements communautaires au fil du temps. Dans la phase I (2019 à 2022), la Ville d'Ottawa a d'abord reçu 22 433 427 \$, puis la province lui a versé 681 881 \$ supplémentaires parce que d'autres municipalités n'avaient pas entièrement dépensé leur allocation. Comme il a été mentionné dans le dernier rapport au Conseil (ACS2019-CSS-GEN-0010), daté du 11 septembre 2019, les fonds de l'Initiative 2019-2022 ont été consacrés tant à des dépenses en immobilisations qu'à des dépenses d'exploitation.

L'allocation du volet pour les immobilisations a servi à financer des travaux dans les logements communautaires, comme la modernisation d'ascenseurs, la réparation de la structure, de l'enveloppe de bâtiment, de balcons et de fondations, le remplacement de fenêtres, l'amélioration de la sécurité-incendie et des issues de secours, et la réfection de toits, de rampes, de l'asphalte et de trottoirs. Ce sont 21 005 308 \$ qui ont été alloués sur trois ans au titre de ce volet, ce qui a permis de financer 92 projets dont ont bénéficié 4 132 logements.

L'allocation du volet de fonctionnement transitoire a été utilisée 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 le contrat ou l'hypothèque était arrivé ou arrivait à échéance à explorer des solutions pour atteindre la viabilité à long terme. Ce sont 2 110 000 \$ qui ont été alloués sur trois ans au titre de ce volet, ce qui a permis de financer 95 projets dont ont bénéficié 6 364 logements.

En août 2021, la province a annoncé les allocations prévues pour la première année de la phase II du programme. Selon ces prévisions, la Ville d'Ottawa recevra 14 045 201 \$ en 2022-2023 pour répondre aux priorités dans le secteur du logement communautaire. Le 7 mars 2022, la province a confirmé ce montant. La Ville attend l'entente de paiement de transfert avant d'allouer les fonds.

Le présent rapport décrit le plan d'investissement pour la première année de la phase II (2022-2023) de l'Initiative Canada-Ontario de logement communautaire. Le Plan décennal de logement et de lutte contre l'itinérance de la Ville comprend une stratégie de modernisation du logement communautaire. Est proposée ici une stratégie à court terme pour l'allocation du financement disponible à des activités de réparation 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 dans le présent rapport comprend un budget annuel (1^{er} avril 2022 au 31 mars 2023) de 14 045 201 \$ pour le logement communautaire à investir dans la réparation et l'amélioration des immobilisations (12,3 millions), le financement de fonctionnement transitoire (1 million) et l'administration (0,7 million). Les fonds d'un volet de l'Initiative Canada-Ontario de logement communautaire pourront être réaffectés à un autre volet au cours du même exercice si le budget initial prévu dans le plan approuvé ne peut être respecté.

Les fonds pour la réparation des immobilisations doivent être affectés à des projets de réparation et d'amélioration qui s'inscrivent dans le portefeuille du logement social prescrit. Le financement de fonctionnement transitoire servira 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 fusionner avec d'autres logements communautaires pour gagner en efficacité.

Le financement ne peut pas être utilisé pour compenser les dépenses des subventions municipales au logement social, mais s'y ajoutera plutôt, et devra 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, composé de représentants de locataires, de fournisseurs de logements avec services de soutien, de fournisseurs de logements sociaux, de coopératives d'habitation, de services de soutien, de refuges, 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 intervenants 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 des recommandations quant aux priorités de financement et aux engagements financiers, recommandations qui figurent dans le présent rapport. Le personnel de la Ville d'Ottawa recommande de continuer à consulter ce groupe pour orienter l'allocation du financement de la phase II (2022-2025).

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.

On April 30, 2018, 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 (2022 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
- 2) Ontario Priorities Housing Initiative (OPHI) - to address local housing priorities, including affordability, repair and new construction

The Canada-Ontario Community Housing Initiative 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. The Canada-Ontario Community Housing Initiative provides \$14,045,201 for Ottawa between April 1, 2022, and March 31, 2023. The funding allocation for 2023 to 2025 has not yet been provided.

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 Canada-Ontario Community Housing Initiative, as per the provincial funding requirements (Table 1).

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).

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

Year	2022-23	2023-24	2024-25
Funding	\$14,045,201	To be determined	To be determined

The Canada-Ontario Community Housing Initiative 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 in the Canada-Ontario Community Housing Initiative 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 Canada-Ontario Community Housing Initiative 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

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
- 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 Canada-Ontario Community Housing Initiative 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 - \$

Program Component	2022-23
New Supply	Funded under OPHI

Capital Repair	\$12,345,201
Transitional Operating	\$1,000,000
Administration Fees 5%	\$700,000
Total Annual Canada-Ontario Community Housing Initiative Funding	\$14,045,201

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 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 24, 2019 (ACS2019-CSS-GEN-008) and will be included in the upcoming Affordable Housing Capital Plan Report to Planning Committee and Council.

Staff recommend the delegated authority be provided to the Director, Housing Services, to reallocate funding from one Canada-Ontario Community Housing Initiative 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 units (RGI), 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 8 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. Funding under the Canada-Ontario Community Housing Initiative 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. Canada-Ontario Community Housing Initiative 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 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 Canada-Ontario Community Housing Initiative 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.

Since 2018, and over the next three (3) years (being Phase II of the Canada-Ontario Community Housing Initiative) 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 drop 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 Canada-Ontario Community Housing Initiative funding, are outlined below.

Primary Use of Canada-Ontario Community Housing 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-g geared-to-income assistance to make their rental unit affordable for them.

In Phase 1 of the Canada-Ontario Community Housing Initiative, 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 2 of the Canada-Ontario Community Housing Initiative 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, costs associated with the federally funded component of the program, that being debentures (lending instrument instead of a mortgage) and the 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 many scattered unit properties within the Public housing portfolio. This portfolio is currently under target for the number of rent-g geared-to-income 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 Canada-Ontario Community Housing Initiative.

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 are self-sustaining at the end of their operating agreement, a primary incentive to preserve these projects as affordable community housing under the administration of the City will be access to capital repair funding in Phase II of the Canada-Ontario Community Housing Initiative.

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 continued high demand rental market. This demand is reflected through low vacancy rates (3.4% in 2021) and associated low unit turnover and increasing average market rents above typical norms as noted in the Canada Mortgage Housing Corporation's 2021 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 three (3) years.

As the Canada-Ontario Community Housing Initiative 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.

Secondary Use of Canada-Ontario Community Housing Initiative Funding

Once the expiring operating agreements and associated loss of federal funding priorities have been addressed by the Canada-Ontario Community Housing Initiative, additional available funds under the program can be utilized to:

- protect, and regenerate social housing, through one-time repair, renovation and regeneration projects
- support social housing providers that can demonstrate their potential for long-term sustainability through one-time transitional operating funding initiatives
- 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

Capital Repair, Renovation and Regeneration:

Housing Services Staff will bring a community housing capital need report to Council in Q3 2023, 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. 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 February 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 approximately \$2.4 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 Phase II (2022-2025) of the Canada-Ontario Community Housing Initiative.

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*.

Transitional Operating Funding Initiatives:

The Canada-Ontario Community Housing Initiative 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:

- 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 2023.

The Director, Housing Services will allocate Canada-Ontario Community Housing Initiative 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 Canada-Ontario Community Housing Initiative 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
 - 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 was created to provide guidance and support to the City's Housing Services in the development and implementation of the Ten-Year Plan. The Housing Systems Working Group 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, the Champlain Local Health Integration Network, the 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 Ten-Year Plan since its inception, which commenced on January 1st, 2014. The Housing System Working Group was consulted on the development of the proposed allocations.

In addition to the Housing Systems Working Group, 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, this funding will result in \$12,345,201 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

Canada-Ontario Community Housing Initiative prioritizing 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 Canada-Ontario Community Housing Initiative funding will be used to advance the objectives of the Ten-Year 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 Canada-Ontario Community Housing Initiatives Investment Plan and the associated Sustainability Plan to the Ministry of Municipal Affairs and Housing.

The Director, Housing Services will allocate Canada-Ontario Community Housing Initiative 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 will enter into contribution agreements, with the assistance of Legal Services, with funded housing providers to secure the provision of affordability of the funded housing projects 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*.

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.