


Hamilton

# INFORMATION REPORT

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| <b>TO:</b>                | Chair and Members<br>Emergency and Community Services Committee  |
| <b>COMMITTEE DATE:</b>    | August 15, 2019  |
| <b>SUBJECT/REPORT NO:</b> | Canada-Ontario Community Housing Initiative and Ontario-Priorities Housing Initiative (HSC19042) (City Wide) |
| <b>WARD(S) AFFECTED:</b>  | City Wide  |
| <b>PREPARED BY:</b>       | Greg Witt (905) 546-2424 Ext. 4818<br>Kirstin Maxwell (905) 546-2424 Ext. 3846                               |
| <b>SUBMITTED BY:</b>      | Edward John<br>Director, Housing Services Division<br>Healthy and Safe Communities Department                |
| <b>SIGNATURE:</b>         |                             |

## COUNCIL DIRECTION

Not Applicable

## INFORMATION

In April 2018, the Province of Ontario and the Canada Mortgage and Housing Corporation signed a Bilateral Agreement regarding the National Housing Strategy with the goal of aligning federal funds with Ontario's Community Housing Renewal Strategy priorities. The agreement secured federal and provincial housing investment for a nine-year period, divided into three three-year funding periods.

In November 2018, the Province began a limited consultation with municipal Service Managers, the public and key stakeholders.

In April 2019, the Province of Ontario announced the Canada-Ontario Community Housing Initiative ("COCHI") and the Ontario Priorities Housing Initiative ("OPHI"), typically referred to as COCHI/OPHI, that will provide \$16.1 M in federal and provincial funding to Hamilton for the creation and repair of affordable housing over three years. This is substantially less funding than Hamilton received for similar programs over the last three years, and substantially less than the previous Provincial Government led municipalities to expect.

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The COCHI is a completely new community housing stock capital repair funding program targeting projects or complexes with expiring operating agreements/mortgages that can demonstrate their potential for long term sustainability. The primary goal is to begin to stabilize the supply of community housing for the long term through repairs, renovations, and ongoing supports such as rent supplements/housing allowances and transitional operating funding.

The OPHI is a replacement of the Investment in Affordable Housing Program – Extension, though funding overlaps for the current year. It includes all the programs within IAH-E (New Rental Construction, Ontario Renovates, Down Payment Assistance and Rental Assistance), but adds community housing repair and housing support services as potential programs to receive funding.

Together they include the programs of the Social Infrastructure Fund (“SIF”). The first year of OPHI (2019-2020) overlaps with the final year of IAH-E.

COCHI/OPHI Program Guidelines Summary Table

|  | <b>COCHI</b>   | <b>OPHI</b>   |
|--|--|---|
| Primary Focus  | Social Housing Repair and other support to projects nearing the end of their operating agreements  | Broad objectives to improve the quality of existing community housing stock and increase the supply of affordable housing   |
| Eligible Expenditures<br>( <b>New elements are in bold</b> ) | <ul style="list-style-type: none"><li>➤ <b>Social Housing Repair</b></li><li>➤ <b>New Social Housing Supply</b></li><li>➤ <b>Rental Assistance</b></li><li>➤ <b>Transitional Operating Funding</b></li></ul> | <ul style="list-style-type: none"><li>➤ New Affordable Rental Construction, Conversion, Acquisition</li><li>➤ Rehabilitation/Repair</li><li>➤ Affordable Homeownership New Construction, Repair (Ontario Renovates), or Down Payment Assistance</li><li>➤ <b>Social Housing Repair</b></li><li>➤ New Construction of Social Housing</li><li>➤ Rental Assistance</li><li>➤ <b>Housing Support Services</b></li></ul> |
| Common Elements  | <ol style="list-style-type: none"><li>1. Social Housing Repair</li><li>2. New Social Housing Supply</li><li>3. Rent Supplements/Housing Allowances</li></ol>   |   |

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Key Differences Between the former IAH-E and OPHI:

The bolded Eligible Expenditures under OPHI are new program options municipalities can choose to fund. The specifics of the program streams of OPHI are much the same as their corresponding programs in IAH-E, with the following key differences:

- Increased, but limited flexibility to allocate funds between some OPHI programs annually. Funds cannot be reallocated between COCHI and OPHI.
- No maximum per unit funding amount for new construction.
- Exclusion of private sector proponents without non-profit/municipal/co-operative partnership from the New Rental Construction Program.
- Expansion of Ontario Renovates eligibility criteria to include all emergency shelters (previously only VAW shelters).
- An overall emphasis of value for money.

As directed by the Province in 2018, the City started work on a five-year update to its 10-year Housing and Homelessness Action Plan. Staff will draw upon that planning process and new public consultation to inform the funding allocation and Hamilton's approach to delivering the COCHI and OPHI programs and preparing its Investment Plan.

The City's initial Investment Plan must be submitted to the province for review by September 15, 2019. The Housing Services Division is in the process of completing a five-year review of the Housing and Homelessness Action Plan, which can inform decision making with respect to the COCHI and OPHI funding and programs. The City will also complete a separate consultation with key stakeholders to directly inform the Investment Plan.

The following stakeholder groups will be consulted regarding Hamilton's approach to delivery of COCHI/OPHI and the allocation of the funding between sub-programs:

- Housing and Homelessness Planning Group
- Housing and Homelessness Advisory Committee
- Social Housing Provider's Group

Hamilton's detailed annual notional allocation from the Province under the COCHI and OPHI programs is as follows:

Table 1: Summary of COCHI & OPHI Funding for Hamilton (2019-2022)

| <b>Program</b>  | <b>April 2019 - March 2020</b> | <b>April 2020 - March 2021</b> | <b>April 2021- March 2022</b> | <b>Total</b>        |
|---|--------------------------------|--------------------------------|-------------------------------|---------------------|
| Canada-Ontario Community Housing Initiative ("COCHI") | \$1,231,970                    | \$1,430,467                    | \$2,784,784                   | \$5,447,221         |
| Ontario Priorities Housing Initiative ("OPHI")        | \$4,611,100                    | \$2,388,900                    | \$3,719,100                   | \$10,719,100        |
| <b>Total</b>  | <b>\$5,843,070</b>             | <b>\$3,819,367</b>             | <b>\$6,503,884</b>            | <b>\$16,166,321</b> |

The amount of funding allocated to Hamilton through both COCHI and OPHI is considerably less than that received through the previous IAH-E, Social Infrastructure Fund, Social Housing Improvement Program, Social Housing Apartment Repair Program, and funds from the former carbon tax program, as shown in Table 2.

Table 2: Previous Program Allocations

| <b>Previous Programs</b>           | <b>Average Annual Allocation</b> |
|------------------------------------|----------------------------------|
| <b>SHARP/SHAIP/SHIP (3 yrs.)</b>   | <b>\$10.77 M</b>                 |
| <b>SIF (3 yrs.)</b>                | <b>\$5.02 M</b>                  |
| <b>IAH-E (5 yrs. to 2018/2019)</b> | <b>\$5.51 M</b>                  |
| <b>Total Average Allocation</b>    | <b>\$21.30 M</b>                 |

Even including the previous year 6 of IAH-E with COCHI/OPHI, the new funding envelope represents an annual reduction of \$14.95 M and a cumulative shortfall of approximately \$44.85 M over 3 years compared to historical funding levels received through the SHAIP, SHARP, SHIP, SIF, and IAH-E programs.

With the reduced funding amount, high expectations created by the upper levels of government, broader list of programs to which funding can be allocated, and unequal fund distribution over the three years, the allocation decisions will be challenging. Additional funding is needed to adequately support the community housing in Hamilton. However, this federal and provincial investment in community housing in Hamilton is timely and welcome, and the City of Hamilton recognizes the substantial contributions made to

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housing and homelessness issues in Hamilton through other federal and provincial programs.

It is anticipated that the COCHI and OPHI programs will be delivered within the current staff complement of the Housing Services Division. As part of the Investment Plan, staff will analyse the program needs and determine the appropriate staff resources to administer the programs to March 31, 2022. Up to 5% of a municipality's funding allocation may be used for program administration.

The Investment Plan will be brought to Emergency and Community Services Committee for approval September 5, 2019.