

Purpose

This report outlines the Community Housing Renewal Strategy funding allocation received from the Ministry of Municipal Affairs and Housing. The report also makes recommendations as to how the funding may be allocated.

Executive Summary

The Ministry of Municipal Affairs & Housing announced the launch of the Community Housing Renewal Strategy, a multi-year plan to sustain and grow the community housing system on April 17, 2019. Greater Sudbury was provided with a three (3) year proposed allocation to support the strategy, leveraging federal investments under the bilateral agreement between the Ministry and Canada Mortgage and Housing Corporation. Greater Sudbury is expected to receive nearly \$15 million in allocations between 2019-2022 (\$5.75M in 2019-20, \$2.48M in 2020-2021, and \$6.7M in 2021-2022) to support housing and homelessness programs.

This report provides a summary of the strategy and recommendations as to how the funding may be utilized to complement the Corporate Housing and Homelessness Plan. It also seeks authorization for the Manager of Housing Services to submit the City's Investment Plan to the Ministry of Municipal Affairs & Housing for funding approval as well as the ability to reflect any further changes and/or recommendations required by the Ministry.

The proposed Investment Plan recommends utilizing the Capital Expenditures Stream of both the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) to address the shortfalls in capital needs for the existing Urban Native Housing Program as well as the balance of the City of Greater Sudbury's social housing portfolio through the Repair Stream. As well, it is being recommended that the Homeownership Down Payment Assistance funding be used to assist low income households, who are currently residing in rental units, to provide the opportunity to become homeowners, and that a portion of the OPHI proposed allocation be utilized for down payment assistance.

What is Community Housing?

Community Housing is housing owned and operated by non-profit housing corporations, housing cooperatives and municipal governments or district social services administration boards (DSSABs). These housing providers offer subsidized and/or low end of market rents –sometimes referred to as social housing and affordable housing.

Social housing was developed through federal and provincial government programs from the 1950s through 1995. Across the province, over 250,000 households live in social housing. Approximately 185,000 of these households pay rent-geared-to-income (RGI) rent and the balance pay a moderate market rent.

Since 2002, provincial affordable housing programs have led to the construction of approximately 21,800 rental units with rents maintained at or below 80% of Average Market Rent (AMR) established by Canada Mortgage and Housing Corporation (CMHC) for at least twenty (20) years. These types of units were built in both the community and market sector.

Greater Sudbury has built six (6) affordable housing projects to date. They are:

- Cedarbrook in Lively,
- Capreol Non Profit Phase 2,
- 192 Copper Street, Sudbury,
- Raiffeisen II on Mont Adam Street, Sudbury
- 1351 Paris Street, Sudbury
- Sudbury Finnish Resthome – Lepokoti in Sudbury

March of Dimes, 2915 Bancroft Drive, is due to complete the seventh affordable housing build by end of 2019. In total, there will be 358 units built through the Affordable Housing Program (309 units affordable/49 units market).

A household is considered in core housing need if its housing falls below at least one of CMHC's standards for adequacy, affordability or suitability standards, and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing.

The hundreds of community housing providers that have created housing through the various programs operate across Ontario and are a vital part of the housing system. They make up more than 20% of all purpose built rental housing in Ontario. The insured replacement value of community housing is over \$30 billion – and this does not include the value of land it is built on.

Expiry of original program obligations

Approximately 60% of the provincial community housing supply was developed through funding agreements between governments and non-profits, housing cooperatives, and private landlords. The remaining 40% was public housing that has been transferred to municipalities and District Social Service Administration Boards to own and manage.

For the non-profit and cooperative housing providers, funding agreements were time limited; typically for 45 to 50 year periods, and many are now coming to an end. Often the original mortgages for the housing projects are maturing about the same time.

Some housing providers will no longer have to provide affordable or subsidized housing once their agreement expires or mortgage matures. This has resulted in a provincial loss of approximately 6,500 community units to date. Over the next three (3) years, 289 non-profit and cooperative providers with 41,000 units are at risk of exiting the provincial community housing portfolio due to reaching the end of their legacy agreements. By 2027, this number increases to 106,600 units at risk. Without provincial action, some housing providers may stop providing subsidized and/or low end of market housing to low income Ontarians when they are no longer legally obligated to do so.

Community Housing Renewal Strategy

On April 17, 2019 the province of Ontario announced the launch of the Community Housing Renewal Strategy, a multi-year plan to sustain and grow the community housing system. Ontario's Community Housing Renewal Strategy is focused on affordable housing for low-income households and the non-profit, cooperative and municipal housing sector. Community housing provides a home to many individuals who have difficulty finding housing in the private market. It provides a home to individuals working low-income jobs, seniors, those living on social assistance, and individuals with developmental disabilities, mental health and addictions challenges and those who have experienced

homelessness. Community housing also provides priority access to those who have experienced domestic violence and human trafficking.

The strategy will help sustain, repair and grow the community housing system, making it work better for the individuals it serves. When individuals have the housing they need, they have better health, education, and employment outcomes. When housing is affordable and in areas near transit, schools, workplaces, and amenities, individuals have the opportunity to manage their lives and raise their families.

Outcomes and key priorities

Ontario's Community Housing Renewal Strategy will focus on:

- repairing and increasing the supply and mix of well-maintained housing that meets people's needs,
- providing opportunity for people to live in housing that meets their needs and supporting them to participate in the economy and their community, and
- increasing efficiency in the system by removing red tape, improving coordination and helping housing providers offer sustainable housing.

The key priorities will be to:

- implement flexible new programs that can respond to different needs across Ontario's diverse communities and can leverage federal funding under the National Housing Strategy,
- create safer communities,
- improve wait lists and help those most in need,
- simplify rent-geared-to-income rules, and
- create incentives for community housing providers to continue to provide housing and become more sustainable.

New Programs

Two (2) new programs are being launched in 2019-2020 to support this Strategy, leveraging federal investments under the bilateral agreement between the Ministry of Municipal Affairs and Housing (MMAH) and Canada Mortgage and Housing Corporation (CMHC).

Canada-Ontario Community Housing Initiative (COCHI)

The Canada-Ontario Community Housing Initiative will provide funding to replace the federal Social Housing Agreement funding that expires each year, beginning in 2019-2020. Total federal funding under this program is \$33.2 million in the current year, \$81.0 million in 2020-2021, and \$112.1 million in 2021-2022.

The federal government has acknowledged that their funding for social housing has declined over time and through their funding of COCHI, federal social housing investments will be maintained at about the 2018-2019 levels. Over the period that federal expenditures have been declining, municipal expenditures on social housing have been growing. As allowed under the bilateral agreement, current municipal spending on social housing will be used to count as the cost-matching required under this program.

This funding can be used to repair, regenerate, and expand community housing through the Capital Expenditures stream. It can also be used to protect affordability support for tenants (rent supplement), which we are currently doing with the Investment in Affordable Housing (2014 extension) funding. COCHI can be used to support community housing providers whose original program arrangements are expiring and help them to become more sustainable. Greater Sudbury currently has one (1) Federal Social Housing Provider who would qualify for assistance. Conversations have taken place with the housing provider who has indicated that they are not interested in accessing funding. Service Managers are given the flexibility to determine local priorities, in consultation with their housing providers. In addition, consistent with the bilateral agreement, Service Managers will be required to give priority to Indigenous providers under the Urban Native Housing Program who have expiring operating agreements, where these exist. In Greater Sudbury, there are no expiring operating agreements in 2019 in the Urban Native Housing Program.

Ontario Priorities Housing Initiative (OPHI)

The Ontario Priorities Housing Initiative will also launch in 2019-2020, providing flexible funding to address local priorities in the areas of housing supply and affordability, including new affordable rental construction, community housing repair, rental assistance, tenant supports and affordable homeownership. The design of this program will build on the joint success in the delivery of the Investment in Affordable Housing Program.

The provincial government is committed to fully cost-match this program. Total federal and provincial funding of \$123.3 million in 2019-2020, \$65 million in 2020-2021, and \$99.9 million in 2021-2022 will be available to allocate under this program. Provincial spending of \$34.7 million from existing programs across 2018-2019, and 2019-2020 will be counted towards the cost-matching requirement.

The Capital expenditures funding stream consists of Social Housing Repair and Homeownership Down Payment Assistance.

Canada-Ontario Housing Benefit

The Province plans to begin negotiations with CMHC to finalize the program design and amend the bilateral agreement for the Canada-Ontario Housing Benefit. This will allow housing benefits to begin flowing to Ontario households beginning April 2020, when the federal funding becomes available.

Funding Allocations

The proposed allocation for Greater Sudbury is as follows:

Program	2019-2020 Confirmed Allocation	2020-2021 Planning Allocation	2021-2022 Planning Allocation
Investment in Affordable Housing for Ontario (2014 extension)	\$838,300	N/A	N/A
Home For Good – Operating	To Be Confirmed	To Be Confirmed	To Be Confirmed
Canada-Ontario Community Housing Initiative (COCHI)	\$607,628	\$1,457,726	\$2,486,554
Ontario Priorities Housing Initiative (OPHI)	\$1,381,900	\$715,900	\$1,114,600

All proposed allocations must be utilized within the program year. Funding cannot be transferred from one year to the next if underspending occurs.

Recommendations

With the work that has been completed through the Social Housing Revitalization Plan, Housing Services is recommending utilizing the Capital Expenditures Stream of both COCHI and OPHI to address the shortfalls in capital needs for the existing Urban Native Housing Program as well as the balance of the City of Greater Sudbury's social housing portfolio through the Repair Stream.

As well, Homeownership Down Payment Assistance funding is being recommended to assist low income households who are currently residing in rental units be provided the opportunity to become homeowners, and that a portion of the OPHI proposed allocation be utilized for down payment assistance.

With the short turnaround time from the late funding announcement, Housing Services commits that all confirmed 2019-2020 allocation will be fully utilized.

Housing Services is required to complete an investment plan to be submitted to the Ministry of Municipal Affairs & Housing outlining how the allocations provided will be used under COCHI and OPHI. The Investment Plan needs to address gaps that have been identified in the community's Housing & Homelessness Plan.

Upon receipt of confirmation of approval by the Minister of Municipal Affairs & Housing, Housing Services will develop application processes for COCHI and OPHI and enter into the necessary program funding agreements with housing providers/proponents/recipients. Payments will be advanced based on agreed upon payment schedules. Housing Services will be monitoring projects to ensure timely completion of all projects. Housing Services will also be adhering to Ministry of Municipal Affairs & Housing reporting schedule.

Conclusion

In order to ensure all funding is committed through the Community Housing Renewal Strategy, the Manager of Housing Services is requesting authorization to forward the City's Investment Plan to the Ministry of Municipal Affairs & Housing for funding approval. We are also seeking authorization for the Manager of Housing Services to adjust the Investment Plan to reflect any further

changes and/or recommendations required by the Ministry of Municipal Affairs & Housing.

Annual updates will be brought forward to Council to endorse the proposed allocations received through the Community Housing Renewal Strategy for years 2 and 3.

Resources Cited

Ministry of Municipal Affairs & Housing, Community Housing Renewal Strategy, <https://www.ontario.ca/page/community-housing-renewal-strategy>