



## **Administrative Report**

### **Office of the Director of Council & Community Services/Clerk**

**To:** Warden McNamara and Members of County Council

**From:** Mary Birch  
Director of Council & Community Services/Clerk

**Date:** Wednesday, August 11, 2021

**Subject:** Canada Mortgage and Housing Corporation – Rapid Housing Initiative – Round 2

**Report #:** 2021-08-11-CSS-R007-MB

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#### **Purpose**

To provide recommendations to County Council on a request to support the application for a Rapid Housing Initiative- Round 2, and to pre-commit to fund the annual operating costs required, currently estimated at \$48,000 in each of the post construction operating years to a maximum of twenty (20) years, for a proposed development by The Bridge, in Leamington.

As well, this report proposes the commencement of discussions on a Regional Affordable Housing Strategy and a review of the 1999 Social Housing Cost Sharing arbitrated agreement, with a view to addressing funding and cost sharing solutions for new units and regional housing and homelessness initiatives.

#### **Background**

The City of Windsor is the Consolidated Municipal Service Manager responsible for the administration and funding of provincial housing and homelessness programs, and the Community Entity responsible for federal housing programs in Windsor and Essex County.

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The Canada Mortgage and Housing Corporation (CMHC) is the lead in delivering National Housing Strategy Initiatives over the next 10 years by offering funding opportunities for new construction and repair/renewal to local private and non-profit organizations with the purpose of increasing the housing stock or sustaining the existing affordable housing supply.

## **Discussion**

The City of Windsor has advised, in a memo attached as Appendix A, that they have received a priority allocation of \$9,337,117 to create a minimum of 35 new permanent affordable housing units under Round 2 of the Rapid Housing Initiative (RHI-2). Although the City has been allocated this funding, they are still required to submit specific project proposals to Canada Mortgage and Housing Corporation (CMHC) by August 31, 2021.

The City of Windsor advises that they have identified three projects to submit to CMHC, with two projects being located in the City of Windsor and one project located in the County of Essex, more specifically in Leamington.

## **Building Bridges Erie Shores Program**

The Building Bridges Erie Shores Program (The Bridge) is a congregate living facility with the capacity to provide Housing with Supports to ten (10) youth between the ages of fourteen (14) and twenty-four (24). Their mission is to have every youth feel valued, respected, supported and to have the ability and opportunity to reach their potential. The organization assists in meeting this vision by providing temporary housing, one-on-one support, advocacy, system navigation in addition to meeting their basic needs. On April 7<sup>th</sup>, 2021, County Council approved the execution of a Service Provider agreement with the Bridge to provide Housing with Supports Services.

The Bridge had previously applied for the Rapid Housing Initiative Round #1 funding to build affordable housing units for youth and other vulnerable populations, but were unsuccessful. Because the timelines for the submission of RHI-2 proposals is so tight and The Bridge's previous proposal fit the RHI-2 criteria, the City of Windsor has recently approached them to include The Bridge's proposal in their RHI-2 project proposal to CMHC.

Through the Rapid Housing Initiative Round 2 funding, the City of Windsor is proposing to provide capital funding to The Bridge to build eight (8) units of affordable housing.

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- 4 units supported through the Bridge's youth case management services which will require operating subsidy support; and
- 4 units serving priority populations as rental housing, as outlined by the RHI grant.

In order to qualify to receive the capital funding, projects need to provide CMHC with a letter of support from a municipal partner who will agree to fund the operational cost of the project. The City of Windsor is requesting County Council to provide that letter of support and commit to funding the required operational costs in the amount of an estimated \$48,000, in each of the post-construction project years to a maximum of 20 years.

## **Financial Implications**

The City of Windsor is requesting County Council approval to pre-commit to fund up to \$48,000 annually for a period of twenty (20) years for The Bridge development. The funding will be used to cover a part-time case manager who will be supporting the youth in four housing units and to cover building maintenance related costs.

City staff have advised that, while the purpose of funds from the Community Prevention and Homelessness Initiative fund (CHPI) may have been appropriate to fund these types of costs, there is no CHPI funding available for this project.

This request has been vetted through County Finance Administration. While this is the first of this type of operating funding request for an Affordable Housing Project, it has been determined that funding can be accommodated within future County Budgets to meet this commitment, however, a more strategic approach to managing these types of possible funding requests should be examined.

## **Conclusion**

County Council will recall that when the Province appointed the City of Windsor as the consolidated municipal service manager for the County of Essex, City of Windsor and the Township of Pelee for Ontario Works, Child Care, and Social Housing in 1998, the division of costs related to these services was determined by a provincial arbitrator's ruling in 1999.

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Affordable Housing projects, however, are not mandatory and were not covered in the arbitrated cost sharing agreements.

In the twenty-two years since the funding formulas for Ontario Works, Child Care and Social Housing were arbitrated, the need for new affordable housing units has increased within the region, however, there has not been any concerted discussions proposing a regional strategy to address affordable housing initiatives and no discussion on how both capital and operating costs of new affordable housing units would be funded.

It is the hope that more capital funding opportunities, such as the RHI, will make it possible to develop more affordable housing projects within the region, however, in order to meet tight funding application deadlines in the future and to be financially prepared to fund future affordable housing operating costs, it is the opinion of County Administration that regional discussions need to commence to develop a long-term strategy to build and fund capital and operational costs of additional affordable housing units throughout the region.

It is also the opinion of County Administration that, after twenty-two years, it would be appropriate to review the existing funding agreement for regional Social Housing costs and develop a new cost sharing agreement or addendum to the existing agreement that addresses cost sharing principles for new regional units and regional housing and homelessness initiatives.

## **Recommendation**

It is recommended that Essex County Council receive the memo from the Executive Director of Housing and Children's Services regarding the Rapid Housing Initiative for information, and further;

THAT Essex County Council pre-commit the annual operating budget funding required, currently estimated at \$48,000 in each of the post-construction operating years to a maximum of 20 years, to support the Round 2 Rapid Housing Initiative project for The Bridge, detailed in the Executive Director of Housing and Children's Services memo dated August 6, 2021, subject to refinement of the annual budget estimate as the developments are finalized, and further;

THAT Essex County Council approve, providing a letter of support to the City of Windsor for submission with the application to Canada Mortgage and

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Housing Corporation for the required operating and/or capital funding related to The Bridge project, and further;

THAT Essex County Council approve, entering into an agreement with the City of Windsor for the 20-year operating commitment for the County based on compliance with the Contribution Agreement with CMHC on the Rapid Housing Initiative, and further;

THAT Essex County Council request Windsor City Council to support the commencement of discussions on the development of a Regional Affordable Housing Strategy, including funding responsibilities, and further;

THAT Essex County Council request Windsor City Council to support the commencement of discussions on the review of the 1999 Social Housing Cost Sharing arbitrated agreement, with a view to addressing cost sharing provisions for new regional units and regional housing and homelessness initiatives.

Respectfully Submitted

*Mary Birch*

Originally Signed by

Mary Birch Director of Council & Community Services/Clerk

Concurred With,

*Mike Galloway*

Mike Galloway, Chief Administrative Officer

<b>Appendix No.</b>	<b>Title of Appendix</b>
Appendix A	Memo Dated August 6, 2021 from Debbie Cercone, Executive Director of Housing & Children's Services
Appendix B	Rapid Housing Initiative Guidelines