

Municipality Of Chatham-Kent
Community Human Services
Employment and Social Services/Housing Services
Information Report

To: Mayor and Members of Council

From: Polly Smith, Director, Employment and Social Services
Ray Harper, Director, Housing Services

Date: January 4, 2021

Subject: Housing and Homelessness in 2020 and 2021

Background

Affordability and Housing Stock

The purpose of this report is to provide information on the current state of housing and homelessness in Chatham-Kent and related strategies for 2021 by the Employment and Social Services (ESS) and Housing Services (HS) divisions. As the document is somewhat lengthy, the background section provides program information, data, outcomes and issues faced by the community, and the comments section provides some solutions based on the Housing and Homelessness Community Plan 2020-2024 previously approved by Council. Both sections follow the order of the housing continuum.

Ontario's Housing Continuum



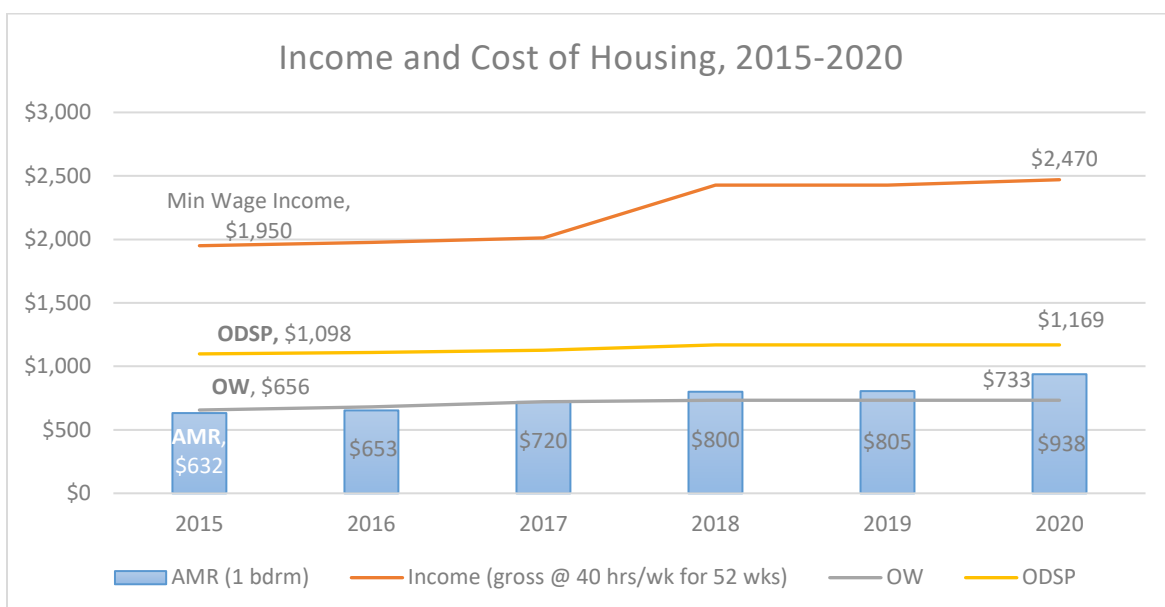
Chatham-Kent is known as a close-knit and caring community. This has been demonstrated during the pandemic by food drives and new groups working to help the homeless. What isn't often discussed is the level of need behind these good works. Census Canada reported in the 2016 survey that one in six residents of Chatham-Kent

and one in five children in Chatham-Kent live in poverty. It is expected that job and business losses have increased this number, leaving more people to have to decide between rent and food.

Feed Ontario reported in their November 2020 Hunger Report that food bank use was on the rise before COVID-19, and with the onset of the pandemic saw a 26% increase in first time visitors. The report further cites the underlying cause of this increase being social assistance rates and wages that have not kept up with inflation.

At the same time, Chatham-Kent has a shortage of affordable housing, and market rents have increased astronomically. In 2020, average market rent for a one-bedroom unit was \$938, 48% over 2015 rates. This number does not include the costs for heat or hydro, which has become a common additional expense, as all-inclusive rentals are less common. In the same five year span, minimum wage increased by only 24%, Ontario Works assistance increased by only 13% and Ontario Disability Support Program increased by 10%. People who were already low income and struggling financially were in further risk of homelessness and food insecurity due to these changes.

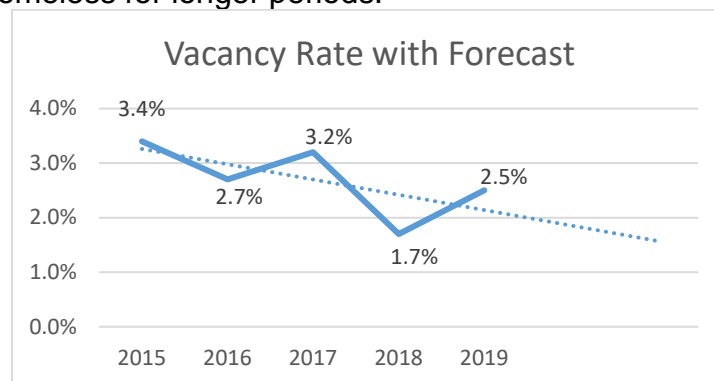
For housing to be considered affordable, it must cost less than 30% of a household's gross (before tax) income. A single person receiving Ontario Works assistance receives \$733 per month, for food, all personal needs, rent, and utilities. Affordable rent would need to be below \$219.90 per month. Simply put, single adults receiving Ontario works can no longer afford market rent and there are currently 1,246 single adults supported by Ontario Works in Chatham-Kent. A person working 40 hours a week at a minimum wage job would receive gross wages of \$2,468/month, so their maximum housing costs would need to be under \$740/month. Chatham-Kent average income levels are below the provincial average, so as the cost of living rises it will impact a greater number of Chatham-Kent residents. Both working people and those who are not able to work (including seniors) are in long-term need of affordable housing.



As was seen at the beginning of the pandemic, vulnerable and lower income people were hit hardest. Individuals who were living on low wages lost their jobs or had their hours cut. Many people had to stay home to watch children who could not go to school or childcare. These issues have continued for nearly a year and for people already living in poverty, recovering financially, even with \$8,000 in CERB payments, is unlikely to occur anytime soon. The economic recovery in Ontario is expected to be in the form of a “k-curve” with groups like professionals, some older Ontarians, and homeowners doing fairly well while hourly (lower wage) workers, young people, low income seniors, and people in poverty do not have the same opportunities for recovery. Ultimately, these groups are disproportionately impacted and are at higher risk of homelessness. Living on reduced wages and unemployment insurance still leaves many in the low-income earner category with lack of access to affordable housing in Chatham-Kent.

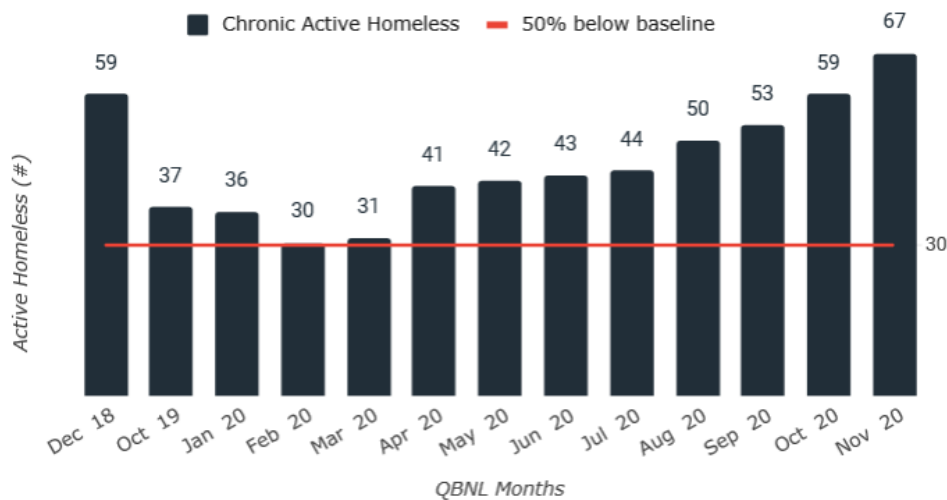
In the past year, Chatham-Kent has seen a substantial increase in the number of people experiencing homelessness. At the time of writing this report, there were 135 individuals and at least two families experiencing homelessness. This is a 28.7% increase in total homelessness when compared to January 2020. These individuals are currently staying in emergency housing, temporarily on someone’s floor or couch, or living rough. It is believed that the pandemic forced many people who were hidden homeless out of overcrowded accommodations. Employment and Social Services also saw a number of families become homeless for the first time, where families lost accommodations that were shared with other families or due to affordability issues. In November 2020 ESS reported a record high of 158 individuals experiencing homelessness during the month.

Every year the Canadian Mortgage and Housing Corporation releases the previous year’s vacancy rate. This number helps to understand the current market - a low vacancy rate means there is little available rental housing while a high vacancy rate indicates that there is a surplus. Chatham-Kent showed a vacancy rate of 2.5% in 2019 which contributed to the ability to make strong reductions in homelessness. It is not yet known what the vacancy rate was for 2020, but projections expect it to fall below 2%. This low vacancy rate combined with increased cost of living will contribute to those homeless being homeless for longer periods.



Chronic Homelessness in Chatham-Kent

In 2019 Employment and Social Services along with community partners were making considerable progress on eliminating chronic homelessness in the community.



The graph above shows that in February of 2020 the number of people who were homeless for six months or more was at the lowest it had been since Chatham-Kent started recording this information (30). Beginning in March 2020, this number began to increase steadily as the number of people in Chatham-Kent who were precariously housed suddenly found themselves homeless. This number has continued to increase in the months following as a result of the number of people who became homeless in March and April hitting the six month period of their homelessness.

Chatham-Kent is not alone in seeing these large increases in chronic homelessness. London, Ontario has a reported chronically homeless population of 341 unique individuals. One year ago, they were reporting 269 individuals (72 less). Kawartha-Lakes Haliburton is a similar community to Chatham-Kent in size and mix of rural/urban residents. In February of 2020, they reported having 45 chronically homeless individuals in their community. In their most recent report (November 2020), they have reported 92 chronically homeless individuals. Although data at a provincial level does not exist, it is clear from media coverage and anecdotal information that the pandemic has led to significant increases in homelessness.

Individuals experiencing long-term (chronic) homelessness are prioritized because, in short, they need support the most to return to stable housing. The research is clear that an individual's social, health and economic outcomes dramatically decline the longer they remain homeless and the greater the cost is to the community to address their needs. A lack of access to preventive and primary health services (due to having no housing) leads to a reliance on emergency services to address new and worsening mental and physical health conditions. The daily stigma and social exclusion faced by individuals experiencing homelessness results in a reliance on anti-social behaviors to

meet their basic needs of housing, food, health, and social belonging. This in turn puts individuals at an increased likelihood of engagement with high-cost police and corrections services. Cumulatively, these dramatic outcomes make securing and maintaining long-term housing, without intensive supports, very difficult.

Housing First

Chatham-Kent is a 'Housing First' community. This means that homelessness is seen as primarily a housing issue. Rather than asking individuals to attend treatment, show sobriety, or complete programming to qualify for housing, staff instead work with local landlords to match individuals first to housing, then wrap supports around them to maintain housing. Housing First is the only methodology that has been able to demonstrate measureable success in addressing chronic homelessness. This does not mean that emergency sheltering or transitional housing are not needed. The lack of available affordable housing and increased need has created a backlog in the community and individuals need a safe place to live while applying to rental housing options.

Employment and Social Services and community partners operate three Supportive Housing First programs for chronically homeless individuals. These programs are Canadian Mental Health Association (CMHA) Intensive Case Management (ICM) program for high acuity adults, Homes 4 Youth for homeless and at-risk youth, and Ontario Works ICM. These programs provide the highest level of support for those in need and they have shown measureable reductions in homelessness. Even with these supports in place along with partnerships with private landlords, it could take up to three months to secure housing. With the current low vacancy rate, high cost of living, and incredibly low rates of social assistance, securing housing is taking longer and is becoming more challenging.

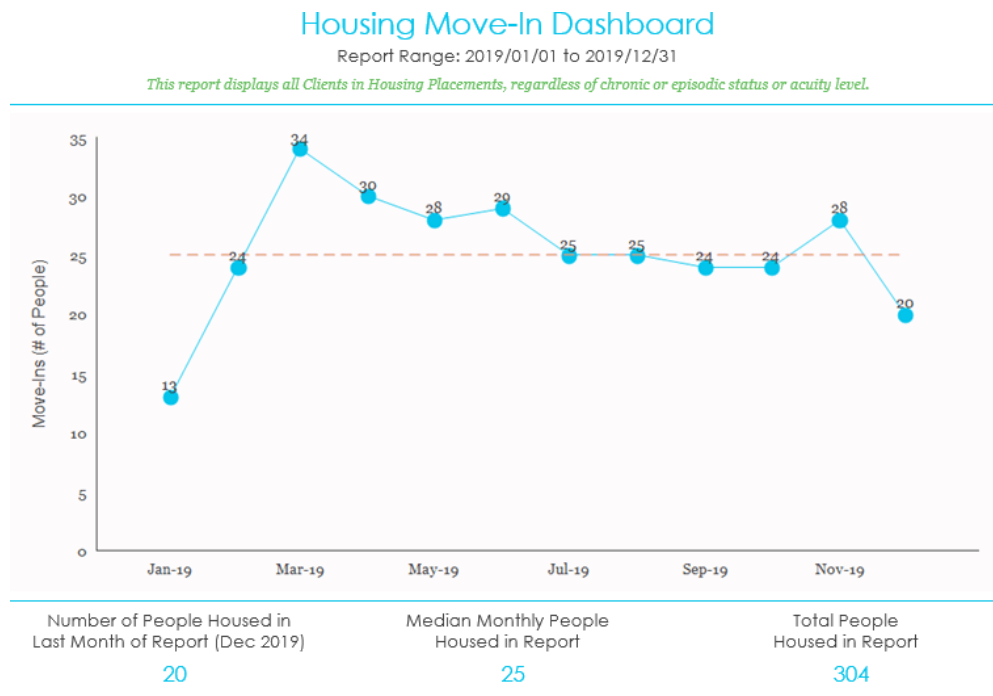
Housing Placements

ESS and CK CARES partners deliver a number of additional programs that help people who are homeless or are at extreme risk of homelessness to find and secure long-term housing. These programs have historically done well in securing a high number of housing placements and as such has helped reduce the number of homeless in the community.

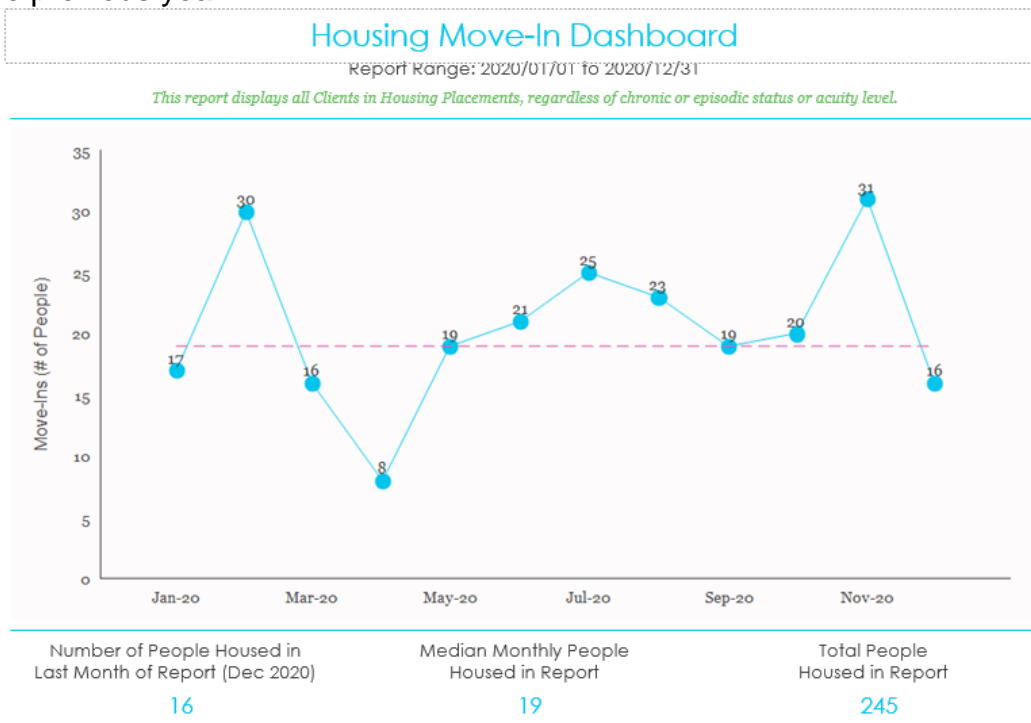
ESS and CK CARES Partners currently deliver the following programs:

- Chatham-Kent Shelter Solutions
- Community Relations Program
- Rapid Rehousing Program
- Ontario Works ICM Program (Portable Housing Benefits)
- CMHA ICM Program
- Homes 4 Youth
- Survivors of Domestic Violence Portable Housing Benefit
- CK Renovates

As shown in the graph below, these programs averaged 25 new housing placements per month in 2019.



2020 has proven challenging for the reasons listed above but also because it has become very difficult to find and secure housing during provincially mandated lockdowns. There has been an average of 19 housing placements a month, a drop from 25 in the previous year.



As lockdowns continue, it can be expected that the homeless population will grow as more people fall into homelessness and less escape it each month.

Emergency housing is needed in order to bridge the growing gap between being homeless and securing housing. Emergency housing provides a safe place for community members to meet with trained professionals who are working to secure housing and connect them with supports. Unless costs decrease and the vacancy rate increases, it will continue to be impossible to house individuals immediately after falling into homelessness.

2020 Provincial Response to Pandemic Impact on Municipalities

The Ontario's Ministry of Municipal Affairs and Housing issued Social Services Relief Funds to municipalities to assist with emergency housing related needs, personal protective equipment, and food insecurity. Employment and Social Services is administering \$3,390,589 in funds that arrived in three phases - all to be used by March 31, 2021. As phases two and three were unexpected, and phase three arrived in December 2020, the priorities were funding temporary emergency housing, homelessness prevention, first and last month's rent, food security programs, personal protective equipment, and cleaning supplies.

Prior to the pandemic, motels were used to shelter people until stable housing could be secured. For years this worked fairly well, but as people's needs were not being met due to capacity issues in other systems, this system began to break down, with many people being banned from motels, and motels having limited to no vacancy. This problem increased exponentially during the onset of the pandemic when many non-profit type support systems closed and people were turned out of over-crowded accommodations due to the virus. By May of 2020, Chatham-Kent had over 100 people on any given night without accommodations and with nowhere to go even to use a washroom.

The temporary isolation shelter at the John D. Bradley Center was set up as no hotels or motels would provide additional rooms for those who needed it. Further, other organizations that had experience housing or sheltering people either had no capacity or were not interested in providing additional sheltering services. The Emergency Isolation Center was setup in response to COVID-19, with a primary focus on providing a safe emergency setting for people to isolate. Partners like Canadian Mental Health Association (CMHA), Chatham-Kent Health Alliance (CKHA), CK Public Health, and ROCK Missions worked together to ensure basic needs were met and services for mental health and addictions were available.

The John D. Bradley Center allowed for an emergency model that responded well to the pandemic needs, however, it came with limitations. Together with colleagues from Canadian Alliance to End Homelessness and ORG Code, ESS staff began developing a shelter model that was more in line with securing long-term housing. Shelters are not homes and should not be viewed this way.

The John D. Bradley Center was not a viable long term solution, and when another location could not be found hotels and motels were again explored. The majority of the motels that ESS previously relied on were full with monthly tenants. One local hotel came forward as they had positive experiences with providing rooms for homelessness programming in other cities. This partnership led to the creation of the Chatham-Kent Emergency Rapid Rehousing Program.

The Chatham-Kent Emergency Rapid Re-Housing Program (CKERRP) model

CKERRP is a housing focused emergency housing program following five principles:

1. Homelessness is first and foremost a housing problem.
2. Homelessness should be rare, brief, and non-recurring.
3. Permanent housing is a human right.
4. Housing is harm reduction.
5. Maintaining high professional standards ensures quality services which in turn ensures sustainable positive outcomes.

CKERRP is currently operated and staffed by ESS, operating 24 hours a day seven days a week. Every request and interaction is viewed as an opportunity to engage a participant in a housing conversation. ESS does not want to be in the shelter business – but in the ‘housing people’ business.

CKERRP is not a shelter. It is emergency housing that is more similar to transitional/bridge housing than it is to a congregate shelter. Those in need are provided with either a single or shared room. The room is based on availability and individual circumstances. All guests must agree to actively pursue long-term housing options to qualify for services. This is reviewed with guests at intake and they are immediately matched with a housing worker who they meet with regularly. In line with best practices, everything CKERRP does is about housing. That is not to say that those accessing services don't need additional supports, but those needs are best fulfilled once the person is housed or at the very least supported while actively searching for housing.

Since the program became operational on October 1, 2020, 28 individuals moved from CKERRP to long term housing. Staff are working with community partners to ensure supports are in place for these individuals to maintain their housing. Individuals not interested in CKERRP services are receiving short-term supports and connections to other community partners better able to meet their needs.

Costs of Emergency Housing 2015-2020

Chatham-Kent Employment and Social Services is the service manager responsible for delivering the Community Homeless Prevention Initiative (CHPI) in Chatham-Kent. This is broken into a series of initiatives that are designed to help those in need across the housing continuum. ESS is required to make strategic decisions to invest in programs that can both end homelessness and prevent others from entering homelessness.

Emergency programs are always more expensive than prevention, and it is because of this reality that historically, the division has invested heavier in prevention programs. These programs remain crucial to slow down the number of new individuals entering homelessness, however, a steady increase year over year in the need for emergency programs has been seen.

2016-2020 Emergency Motel Payments

Year	Number of Payments	Annual Amount
2016	186	\$66,509.17
2017	156	\$51,970.22
2018	220	\$78,349.64
2019	316	\$111,794.18
2020	406	\$172,344.34

Note: These payments are in addition to the annual \$110,000 service contract paid to the Homeless Response Line (HRL).

Chatham-Kent has continued to see growing need and growing costs in emergency housing use. These amounts are payments made to local motels and do not include programming or supports.

Financial Costs of new Models

In 2020 ESS delivered two different emergency housing models.

Average Monthly Expenses of Emergency Isolation Shelter

Services & Supports (Food, Transportation)	\$55,610
Staffing	\$ 113,114.37
Security	\$24,166
Overflow Motel Use	\$12,113
Rent	\$8,000
Total	\$213,003.37

Average Monthly Expenses of CKERRP

Services & Supports (Food, Transportation)	\$25,093
Staffing	\$ 93,833
Security	\$50,000
Overflow Motel Use	\$8,000
Rent	\$93,813
Total	\$270,739

Although the isolation shelter is less expensive than the CKERRP model, the outcomes associated with CKERRP in increased shelter security far outweigh the cost.

The CKERRP model has proven superior to the previous model that ESS operated. The main difference comes from having staff available to support individuals during their temporary stay. Historically, many individuals that accessed the Homeless Response Line (HRL) would not make contact after receiving an emergency motel room. This made it difficult to case plan and secure long-term housing. Having staff on site allows for daily participation, this participation has turned into successful housing placements.

These current models are not sustainable and are currently scaled to help as many individuals as possible in Chatham-Kent within the allocated provincial funding provided to address the problem.

Chatham-Kent is in need of sustainable housing focused emergency shelter options. A return to the pre-pandemic model is not possible, as there is simply not enough capacity in local motels. Staff are currently exploring a variety of options, and future recommendations will be coming. Rent is currently a large expense and by its nature not an ideal use of reserve funds. Staff are exploring the feasibility of purchasing a vacant building that can be used for emergency and transitional housing while also having the ability to convert to affordable housing in the future.

Annual Homeless Prevention funding

Chatham-Kent does not receive any federal funding for homeless prevention services. Ongoing funding is provided by the province and municipality through CHPI, Home for Good (H4G), and municipal portable housing benefits (PHB).

2020 Funding by Program

CHPI	\$1,807,547
H4G	\$657,364
Municipal PHB	\$200,000

Chatham-Kent received \$17.90 per capita from the province in 2019/2020. This places CK at the lower end of provincial funding - when compared to communities like Hamilton at \$35.32 and London \$26.92 - but higher than others including the County of Wellington who receive \$15.59 per capita.

Supportive Housing in Chatham-Kent

Supportive housing refers to a combination of housing assistance (e.g. rent-geared-to-income, rent supplements) and support services (e.g. counselling, life skills training, activities for daily living) to enable people to live as independently as possible in a community setting.

As reported above, ESS and community partners CMHA and House of Sophrosyne (HoS), operate three Housing First supportive housing programs. There are a number of non-Housing First supportive housing services for adults (non-aged) in Chatham-Kent. They are:

- Community Living Chatham-Kent and Community Living Wallaceburg for individuals who have cognitive disabilities
- Canadian Mental Health Association for individuals who have mental illnesses
- March of Dimes for individuals who have physical disabilities

This does not include retirement, rest, or long-term care homes, which are also classified as supportive housing.

All of these supportive housing programs have waiting lists for services due to shortfalls in capacity. CK CARES staff and partners are regularly working with homeless individuals who are waiting for spaces to become available in these programs; chronic homelessness is a direct result of gaps in many different systems, including these. More supportive housing is needed, more affordable housing is needed, and until these gaps are closed, access to emergency housing is needed.

An Indwell development would assist in filling some of the gaps in affordable housing for individuals with a variety of levels of needs. Indwell projects serve individuals by supporting their health, wellness, and sense of belonging. As outlined in the Indwell presentation to Council on December 14, 2020, funding would be sought from all levels of government, faith-based organizations, and private donors.

Investment in supportive housing will also reduce the number of emergency housing options that are needed in the future.

Current Housing First Supportive Housing Outcomes

Housing First supportive housing programs have been shown locally to have strong impacts on ending chronic homelessness in the community. In 2019, ESS completed a program evaluation of the Homes 4 Youth (H4Y) program and CMHA's Intensive Case Management program.

Program Overview

	ICM Adult Housing First	H4Y Youth Housing First
Funding	CHPI	Home for Good
Launch Date	March 2017	December 2017
Spaces	22	48 (35 ESS, 8 CMHA, 5 HoS)
Average length of time homeless	13 months	12 months
# Housed since launch	30	70
Average length of time in program	11 months	10 months
Average PHB amount	\$308	\$290
Average length of time housed	15 months	14 months

Outcomes

- Nearly all participants in the ICM program were housed within 60 days, while nearly all participants in the H4Y program were housed within 90 days.
- 90% of ICM participants remained housed after 18 months and 82% of H4Y participants remained housed
- Median acuity dropped 41% for ICM participants in the program and 37% for youth
- Self-reported visits to hospitals, ambulance use, and police contact reduced by 90% for adults and 21% of youth who were still in the program at 18 months

Note: Acuity, in terms of homelessness, indicates the complexity or severity of an individual's barriers to long-term housing. This encompasses both depth, breadth and number of an individual's barriers.

Housing First supportive housing programs show strong outcomes in ending homelessness and improving the lives of participants while also reducing the service costs in other systems. In the absence of substantial investment in supportive housing, these necessary programs will continue to have waitlists.

Social and Affordable Housing

Social Housing refers to rent-g geared-to-income housing operated primarily by municipalities and private non-profit organizations. Affordable Housing is often operated by private developers and subsidized by municipalities with provincial funding, and offers rents that are a maximum of 30% of a person's income or 80% of market rents. Both offer housing that people with lower incomes can more easily afford and access in

Chatham-Kent, although Chatham-Kent Housing Services (CKHS) is also experiencing a significant waitlist.

A number of ongoing challenges face CKHS in the efforts to provide affordable housing options to the community members in need.

Expiry of Operating Agreements, End of Mortgages & End of (Ontario Housing Corporation Public Housing) Debentures, and End of Federal Funding:

The community-housing sector in Ontario is transforming. The Protecting Tenants and Strengthening Community Housing Act, 2020 introduced a number of future changes to the Housing Services Act, 2011 (HSA) and its regulations that will significantly change the relationship between housing providers designated under Part VII of the HSA and Service Managers.

Many of the community housing providers are reaching the end of their original program obligations and/or mortgage that was detailed during the [June 29, 2020](#) Council meeting. The end of operating agreement/end of mortgage issue has different implications for projects and units depending on what funding program they were originally developed under.

Projects that were entirely funded by the federal government have an operating agreement with a set end date. The agreement ends when the project's mortgage matures, at which point the housing provider no longer receives any guaranteed government funding and the housing provider's obligations to provide subsidized housing concludes.

Rent supplement agreements are also coming to an end. No stock was created under these agreements. Instead, the government agreed to fund a provider to provide subsidized units until a date specified in their rent supplement agreement. The provider's obligation to provide subsidized units concludes with the end date of these agreements.

The Housing Services Act, 2011 does not specify an end date for the obligations of projects that were either partially or entirely funded by the province (called "provincial reform" projects). This means that provincial reform projects must continue to provide affordable housing, including rent-geared-to-income housing, after their original mortgage matures, until they are actively removed from the Housing Services Act (at the Minister's discretion). In exchange, they continue to receive a subsidy from their Service Manager, calculated with the funding formula set out in the Act.

For some provincial reform projects, once the mortgage has matured, the total Service Manager subsidy calculation could result in a negative number (because the mortgage costs are no longer included in the subsidy calculation). A negative total Service Manager subsidy calculation does not result in an amount owing by the housing provider to the Service Manager. This result means that the total subsidy a provider receives from the Service Manager will be nil (\$0).

Ontario's Community Housing Renewal Strategy outlines the provincial government's strategy for community housing that will incent non-profit and co-operative housing providers to stay in the system once their original obligations end. In the coming months, the province will work with its various partners, including Chatham-Kent, to explore changes to the community housing system, and will work to explore how Chatham-Kent's vital community assets can be protected over the long-term.

RGI and Waitlist

The Municipality of Chatham-Kent provides Rent Geared to Income (RGI) Housing for 1,468 households with income below the prescribed household income limits. These include 747 High Need (HN) households and 63 modified units as prescribed in O.Reg 370/11 under Ontario's Housing Services Act.

Of these, CKHS is the Local Housing Corporation for 694 units of public housing, and acts as Service Manager for 13 private non-profit housing providers with 774 units of RGI Housing in provincial reform funding agreements and one Federal Program Section 26/27.

Since 2002, CKHS teams have managed all aspects of community housing administration including applicant eligibility assessments, coordination of the centralized waitlist, determining rent and subsidy amounts for households, lease agreements, and tenant relations. CKHS, along with CK Infrastructure and Engineering Services (IES), maintain community housing assets with onsite assigned building maintenance staff and timely capital repairs, and has dynamic referral and supportive service agreements with community partners such as March of Dimes, Canadian Mental Health Association and Community Living-Chatham-Kent.

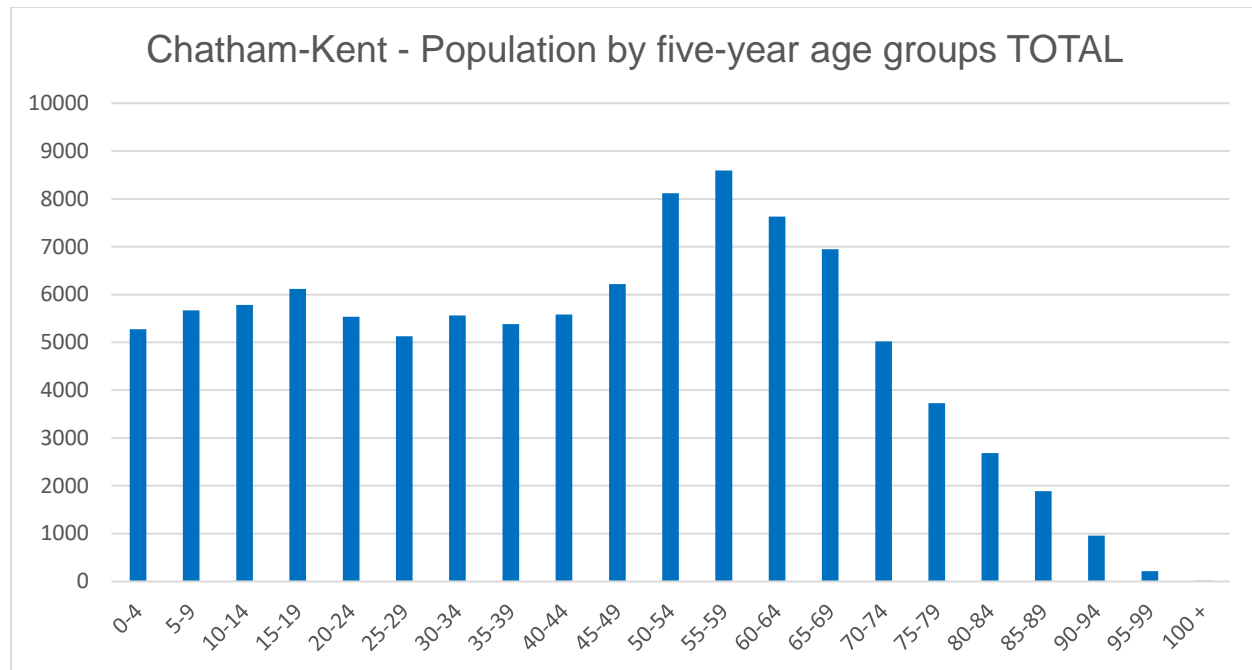
Development

In the past 10 years, CKHS has committed to developing 176 units of affordable housing through administration agreements with Ontario's Ministry of Municipal Affairs and Housing, and through capital commitments in CKHS municipal base budget. These units range from communal living duplexes designed to provide supportive services to low rise one-bedroom community housing apartment complexes. CKHS is in contribution agreements for 14 units and two are wholly owned by Chatham-Kent. As of December 1, 2020, 111 units were occupied while development is underway on 65 units. These units are all scheduled for occupancy in 2021.

Need

As of December 1, 2020, CKHS had a total of 759 active households on its RGI centralized waitlist. Of these, 25% (179) were senior one-bedroom households. Another 9.2% (70) households will reach age 60 and be eligible for senior designated housing within five years. On average, seniors on Chatham-Kent's centralized waitlist wait in excess of seven years for an offer of affordable housing. They are the cohort with the longest wait time as only 16% of RGI units (234/1,468) are dedicated to their housing needs and the six senior projects record exceptionally low turn over rates.

Although only 16% of RGI units are dedicated to seniors, 2016 Census data shows 37% of the population of Chatham-Kent was aged 55 or over (59 or over in 2020 assuming no significant demographic shift.) (source <https://www12.statcan.gc.ca/census-recensement/2016/as-sa/fogs-spg/Facts-cma-eng.cfm?LANG=Eng&GK=CMA&GC=556&TOPIC=2>)



From January 2017 to December 2019, the average resale price of homes in Chatham-Kent increased from \$163,257 to \$251,460. This 54% increase in just three years caused increased demand for rental housing units further down the housing continuum. As such, average market rents increased to \$805 for one-bedroom units during 2019. Given affordable housing costs less than 30% of a household's gross monthly income, the average household would need an income of \$2,683 per month to meet affordability for rent alone. Seniors in receipt of OAS/CPP/ GIS typically receive between \$1,600 and \$1,800, meaning that the average one-bedroom unit in Chatham-Kent is not affordable for any senior living solely on subsidized pensions. Given the low unit turn over in seniors' buildings, lack of affordable market rental options, and a disparate number of RGI units dedicated to seniors vs the number of seniors in Chatham-Kent's overall population, affordable housing units dedicated to Chatham-Kent's low-income seniors is Chatham-Kent's primary housing need.

Homeless Prevention Services

It is important to note that ending chronic homelessness is not as simple as housing everyone who is currently homeless. Every month, new people for a variety of reasons lose their housing and become homeless. Employment and Social Services must make strategic decisions with available resources. This is why a large portion of provincial funding is directed at preventing homelessness. In the current market of low vacancy

rates and high costs, ESS needs to ensure staff are able to help wherever possible in maintaining tenancies.

Homeless Prevention services in CK are delivered by ESS and in partnership with the Salvation Army. Assistance with rent and utility arrears, damages, and last months rent payments, are issued to prevent low income individuals and families from falling into homelessness. These programs are funded through the provincial Community Homeless Prevention Initiative and are vital to reduce the number of new people experiencing homelessness.

Annual ESS Homeless Prevention Spending

Year	Individuals or families assisted	Annual Spending
2018	814	\$291,767.89
2019	799	\$218,180
2020 (Jan-Nov)	663	\$359,682.73

Market Rental Housing

While the Municipality is experiencing a shortage of affordable housing options, there is also a general shortage of market rental housing, where the vacancy rate has been under 3% for the past few years. Market rent is residential rent that is not classified as Subsidized Rent or Affordable Rent under any affordable housing program. Market rents are typically set according to the Canada Mortgage and Housing Corporation, and reflect the Government of Ontario's Rent Increase Guideline. Chatham-Kent requires housing across the housing continuum; a mix of housing types across a community makes for a stronger community. Market rental units assist in attracting individuals to make Chatham-Kent their destination and community of choice. However, it is important to note that market rental units are just part of the larger housing continuum. In 2020, Council approved the new Chatham-Kent Community Improvement Plan, which offers various incentives to attract both new affordable housing developments and larger market rental dwellings. Several projects were approved in 2020 and more are anticipated in 2021, which will add much needed market rental options in the community over the next couple of years as these projects are constructed.

Comments

The vision for housing in Chatham-Kent is outlined in the Chatham-Kent Housing and Homelessness Plan. The plan was created through numerous community consultations with more than 200 community partners including people with lived experience of poverty and homelessness in 2019 for the five years ahead.

The objectives of the plan are as follows:

1. **Housing Supply:** maintain and increase existing and future housing supply through improving affordability, maintenance and diversification
2. **Housing Stability:** to promote housing stability by expanding access to emergency transitional, and financial supports within a Housing First framework
3. **Advocacy and Partnerships:** to promote, advocate, and create awareness of housing needs while strengthening partnership and service coordination

Canada Mortgage and Housing Corporation and the Ministry of Municipal Affairs and Housing acknowledge that no one type of housing fills all needs in communities. There is a continuum of housing required with and without financial assistance for communities to thrive. Given Chatham-Kent is a community with higher levels of poverty and lower incomes than the provincial average, housing with financial supports is critical to well-being of community members and Chatham-Kent as a whole.

Emergency & Transitional Housing

Adults, youth, and families who have experienced homelessness often need support as well as housing to stabilize their lives. Histories of abuse, poor health, disability, addiction, and mental illness add to the trauma of homelessness.

Transitional housing offers a supportive living environment with opportunities for skill development and a sense of belonging among residents. These can be critical in enabling people to participate in employment or training programs, enroll in educational programs, address addiction or mental health issues, and ultimately move to independent living in the larger community. The transitional housing concept is increasingly being applied to help people “exit” homelessness, especially where supportive and affordable housing is wait listed.

An intermediate step between emergency crisis service and permanent housing, transitional housing is more service intensive, and private, than emergency shelter, yet remains limited to stays of between three months and two years. The distinction between emergency shelter services and transitional housing is the duration of stay.

Stays at emergency shelter have been increasing throughout North America, and Chatham-Kent is no exception. Emergency shelters are increasingly becoming more specialized to meet the increasingly complex needs of the homeless population. Transitional housing resembles supportive housing, and is distinguished from supportive housing only in terms of length of residency - supportive housing is permanent. Both models encompass a combination of housing and support service provision that varies in terms of housing form, type and level of support services, target population, and relationship between the housing provider and the support service provider, if different.

Chatham-Kent currently has no transitional housing, and supportive housing for homeless individuals is severely limited. Emergency housing is provided by using

(costly) motel rooms in which duration of stays continues to increase. The Chatham-Kent Emergency Rapid Rehousing Program provides fixed-site emergency accommodations staffed with 24 hour case management support for up to 44 individuals. Individuals are assigned a Rapid Re-housing Case Manager upon program entry and assisted to find permanent long-term housing, and connect with local healthcare, mental health and substance use services. More than 150 high acuity individuals have been assisted since mid-September 2020. As mentioned previously, over 28 of these individuals have been moved to permanent housing in that time, however, many residents require longer and more intensive intervention which could be achieved through transitional housing.

A blended emergency and transitional housing model could help Chatham-Kent end homelessness. It is proposed that one building be purchased and renovated to accommodate up to 48 emergency shelter residents in 24 motel-style bachelor suites (two beds and full bathroom). This building would also encompass six individual transitional bachelor style suites (one room with a bed, kitchenette and full bathroom). The building would also have shared eating, food preparation, and common area space where homeless individuals could learn new skills and receive supportive programs and services according to acuity level and need.

Estimated cost of a building purchase and renovations is \$4 million dollars. In the future, as homelessness numbers reduce in Chatham-Kent, the emergency shelter suites could be converted to transitional bachelor units to accommodate a successful and staged approach (that is evidence-based) in permanently resolving homelessness. Eventually, all suites would be converted to long-term individual affordable bachelor suites, and transferring or selling the building to a non-profit affordable housing provider or supportive housing provider could occur.

This model could save Chatham-Kent hundreds of thousands of dollars (potentially millions), while providing a secure building within the Division's control to provide optimal services to individuals experiencing homelessness. Work needs to continue to find an available building and detailed renovation costs. New-build and modular options would also be explored along with land availability. Early discussions with realtors, architects, and other local experts have shown that purchasing an emergency/transitional building is the most cost-effective solution in Chatham-Kent over renting buildings or rooms.

Assuming that the building is paid for, the cost of maintenance and lifecycle would be in the range of \$100,000 per year compared to more than \$100,000 per month in room rentals. More importantly, it would be investment in community safety and well-being for the individuals who access it, but also Chatham-Kent as a whole. As previously noted, the building could transition into small bachelor apartments for supportive and/or affordable housing longer term.

Potential Average Monthly Expenses of CKERRP in an owned building

Services & Supports (Food, Transportation)	\$25,093
Staffing	\$ 93,833
Security	\$25,000
Overflow Motel Use	\$8,000
Maintenance and Lifecycle	\$8,000
Total	\$ 159,833

Chatham-Kent Employment and Social Services division will be bringing a report to Council in early 2021 requesting use of reserve funding to purchase and renovate a building to provide sustainable emergency, transitional, and affordable housing for Chatham-Kent under the CKERRP model. This would allow for the transition away from providing emergency housing in hotels.

Investment in emergency and transitional housing will assist the Municipality in meeting the following targets in the Chatham-Kent Housing and Homelessness Plan 2020-2024:

- 100% of those experiencing homelessness will be engaged with and provided a referral to coordinated access (to housing) within 30 days of becoming homeless
- End chronic homelessness by reaching functional zero
- By 2021, people seeking emergency housing will be assessed to determine if appropriate alternative temporary accommodation is available, and if so, they will be diverted from emergency accommodation
- By 2021, a local team will be devoted to coordinate and implement efforts to end chronic homelessness

Funding Opportunities

Employment and Social Services has funding available in reserves to be accessed and used for Emergency and Transitional housing. Chatham-Kent is unlikely to obtain federal or provincial grant funding for this type of housing due to the comparatively low numbers of homeless individuals. Loans could be obtained but given the healthy state of reserves, and the inability to pay loans for capital back using ministry dollars, obtaining federal or bank loans is not a first choice. Phase two and three of the Social Services Relief Fund could have been used for capital investment (towards a building project), but Chatham-Kent like many other smaller rural communities, did not have a 'shovel-ready' project and needed the funds for immediate increased emergency housing and food needs in the community.

Supportive Housing in Chatham-Kent

Investment in supportive housing like the Indwell project will assist the Municipality in expanding affordable and supportive housing stock and meeting the following targets in the Chatham-Kent Housing and Homelessness Plan 2020-2024:

- 25% of new housing units will be affordable
- By 2024, 60 new non-profit, co-op or affordable rental housing units will be created
- By 2024, more vulnerable people will be linked to appropriate supports to maintain housing
- By 2024, partnerships will be established with the healthcare sector to provide additional supportive housing

Rapid Housing Initiative (RHI) Funding Proposal

Chatham-Kent Housing Services has submitted a funding proposal to the RHI program through Canada Mortgage and Housing Corporation (CMHC) to access potential funding in order to develop a new 24 single-bedroom affordable housing build targeting seniors for the community to increase affordable housing stock in Chatham-Kent.

The Rapid Housing Initiative provides funding to expedite the delivery of affordable housing units to vulnerable people and populations targeted under the National Housing Strategy (NHS), especially those affected by COVID-19. The initiative targets rapid housing and delivery of units within 12 months and provides funding to help support the creation of new permanent affordable housing units.

Successful applicants will be required to have funds committed before March 31, 2021 to ensure housing is available within 12 months as well as to provide long-term, permanently affordable housing for a minimum of 20 years.

Chatham-Kent's proposal will be detailed in an upcoming report to Council targeting the eligible new modular housing construction, which includes building on existing municipal owned land.

Eligibility for the funding includes the requirements of a minimum request of \$1 million dollars for affordable housing units in a modular build to be completed within 12 months of the effective date of the agreement.

Investment in affordable housing will assist the Municipality in meeting the following targets in the Chatham-Kent Housing and Homelessness Plan 2020-2024:

- By 2024, 60 new non-profit, co-op or municipal affordable rental units will be created
- 25% of new housing units will be affordable
- By 2024, more high-risk low-income seniors will be receiving in-home supports to allow them to continue to live at home

Achieving Service Level Standards (SLS) Housing Services

The Ministry of Municipal Affairs and Housing (MMAH) set out Service Level Standards (SLS) for Service Managers designated under Ontario Regulation. O. Reg. 367/11, which prescribes Chatham-Kent's SLS at 1,365 households at or below the household

income limit clause (i.e. rent-gear-to-income eligible); 747 high need households; and 63 modified units.

Housing Services is continuing work on the Action Plan that was received by Council at the [December 9, 2019](#) Council meeting.

As noted above, Chatham-Kent's SLS is 1,365 households at or below the household income limit clause. At December 31, 2019, Chatham-Kent service level was at 1,151 households, which is a shortfall of 214 households. During 2020 Chatham-Kent added 90 Portable Housing Benefits (PHB), 23 SLS units between the projects 48 Fifth Street, 45 Michener and Keil Drive, and filled 12 vacant RGI units. In 2021, it is expected that Chatham-Kent will be adding an additional 38 SLS units between the projects Villaview, Blenheim, 18 Dolsen Ave, Chatham, 90 Wellington Street, Chatham, and George Street, Ridgetown. This brings the estimated shortfall from 214 households to 51 households ($214 - 90 - 23 - 12 - 38 = 51$).

Housing Services has proposed a base budget increase to Council for the 2021 budget process to request an additional 51 PHBs, which would consist of 16 family units and 35 single units.

The Portable Housing Benefit (PHB) allowances set out above are aimed to ensure CK Housing Services gets back on track with meeting the SLS set by the Province.

Requests for Proposals for Affordable Housing Developments - Inclusive of Municipal Owned Lands and Buildings:

Traditionally, Chatham-Kent's past Requests for Proposals (RFP) for Affordable Housing led to a small number of submissions, especially from the not-for-profit providers. Some reasons for the low number of submissions can be related to provincial funding guidelines with regards to reporting, as well as challenges for proponents being able to procure suitable land or buildings that would meet affordable housing requirements.

Municipalities possess a range of authority, responsibility, and local expertise which provide them with a unique ability to take a leadership role in helping meet the need for affordable housing in their community. Chatham-Kent can consider a range of land use planning and financial tools to help promote a full range of housing types, including affordable housing, and meet the full range of housing needs in the community.

CKHS will be working closely with other municipal departments to review the municipal inventory of land and buildings that may be suitable for current or future affordable housing developments. This inventory of suitable land and buildings for affordable housing projects could possibly be included in future RFPs and municipal owned affordable housing developments.

The CKHS strategy is to utilize key planning and financial tools enabled under provincial legislation that CK can use in developing and implementing local housing and homelessness plans which promote a full range of housing types and help achieve

tangible results. Tools and examples of best practices that some municipalities have used to increase the range and mix of housing types, to provide opportunities for more affordable housing development, and to make the construction of affordable housing more financially viable will be reviewed and recommended where applicable.

Municipal Policies to Encourage Development of Affordable Housing in Chatham-Kent:

CKHS will continue to work together with the Community Development department and the CFO on Municipal Policies to encourage development of affordable housing in Chatham-Kent that was presented to Council on [June 1, 2020](#).

This strategy is to establish specific corporate policies designed to encourage both private for profit and/or private non-profit proponents and developers to create new affordable housing within the Municipality.

This aligns with the new Chatham-Kent Community Improvement Plan (CIP) adopted at Council's [March 2, 2020](#) regular meeting that includes several new incentive programs to further support the development of affordable housing, which included the following:

1. Property Tax Increment Equivalent Program
2. Building & Planning Fee Rebate Program
3. Development Charge Partial Exemption Program, and
4. Residential Conversion and Affordable Housing Grant Program

This work in promoting private sector development of affordable housing will assist the Municipality in meeting the following targets in the Chatham-Kent Housing and Homelessness Plan 2020-2024:

- Between 2020-2024 there will an increased number of private sector affordable rental housing units completed
- 25% of new housing units will be affordable

Summary

It is estimated that 20% of Chatham-Kent residents are living in poverty and on low-incomes. Housing stock in the community is limited and largely not affordable to many who need it. The Chatham-Kent Employment and Social Services and Housing Services divisions are mandated to provide affordable housing and homelessness prevention services to the residents of Chatham-Kent. Without investment in new emergency, transitional and affordable housing the increasing homelessness problems are expected to grow leaving a large number of community members to suffer. Issues related to housing insecurity and homelessness like mental illness, encampments, petty crime, substance abuse, poor health and premature death of vulnerable residents will increase.

In Chatham-Kent, the role and responsibilities in housing and homelessness prevention cannot be understated. The teams are striving to make a meaningful difference for the community of communities with support from the provincial and federal governments.

Staff are working diligently to do what is necessary to address the housing affordability and supply crisis which is negatively affecting the community. Working together, there can be a meaningful difference made for people in need of housing supports in the effort to combat the housing crisis.

Consultation

There was no consultation required in producing this information report.

Financial Implications

There are no financial implications from this information report.

Prepared by:

Prepared by:

Polly Smith
Director, Employment & Social Services

Ray Harper, CPA, CMA, PMP
Director, Housing Services

Reviewed by:

April Rietdyk, RN, BScN, MHS, PHD PUBH
General Manager
Community Human Services

Attachment: None

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