

**Municipality Of Chatham-Kent**

**Community Human Services**

**Housing Services**

**Information Report**

**To:** Mayor and Members of Council

**From:** Shelley Wilkins, (Hon) BPA  
Director, Housing Services

**Date:** May 25, 2020

**Subject:** Wrap Up Report: Investment in Affordable Housing Extension Program (IAHE 2014 – 2020)

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This report is for the information of Council.

**Background**

At the September 8, 2014 regular meeting of Council, Council authorized the execution of the Service Manager Administration Agreement for the Investment in Affordable Housing (IAH) for Ontario (2014 Extension) with the Province, enabling the Municipality to obtain \$635,400 in Year 1 program funding, the only funding allocated at that time. Additional funding for Years 2 through 6 was yet to be announced. The Director, Housing Services was authorized to submit a Program Delivery and Fiscal Plan (PDFP) to maximize the notional funding allocation once received. Council also authorized the extension of the temporary contract position of a full-time temporary Housing Claims Analyst for another 5.2 years (May 1/15 to June 30/20), using the administration funding surplus from the IAH program (2011-15).

At the April 13, 2015 regular meeting, Council received the Director's Information Report on the IAHE- PDFP confirming that the total notional allocation was for \$5,902,000 broken down by yearly allocations and expected targets to achieve for each program. She also advised that 5% of this program funding (\$295,100) was the capped amount allowable for administrative costs.

**Comments**

The table below includes both what the funding allocations were, the actual funds received/spent, and the targets achieved for number of household units assisted. Allocations and Target units are in regular font, while actual funding received and spent, and actual Target units achieved are reported in **bold** font below.

A= Allocations and Target units

F= Actual funding received and spent, and actual Target units achieved

| IAHE                     | Year 1                    | Year 2                        | Year 3                    | Year 4                    | Year 5                        | Year 6                    | Total                         |
|--------------------------|---------------------------|-------------------------------|---------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| <b>Rental Housing</b>    |                           |                               | 0                         | 0<br>YTD:                 | 1,875,000<br><b>1,780,377</b> | 358,297<br><b>322,467</b> | 2,233,297<br><b>2,102,844</b> |
| <b>Home ownership</b>    |                           | 171,000<br><b>171,000</b>     | 73,000<br><b>73,000</b>   | 109,500<br><b>109,500</b> | 56,450<br><b>56,450</b>       | 66,303<br><b>66,303</b>   | 476,253<br><b>476,253</b>     |
| <b>Ontario Renovates</b> | 635,400<br><b>635,400</b> | 577,300<br><b>577,300</b>     | 344,700<br><b>344,700</b> | 307,400<br><b>307,400</b> | 357,550<br><b>357,550</b>     | 0<br><b>0</b>             | 2,222,350<br><b>2,222,350</b> |
| <b>Housing Allowance</b> |                           | 135,000<br><b>135,000</b>     | 135,000<br><b>135,000</b> | 135,000<br><b>135,000</b> | 135,000<br><b>135,000</b>     | 135,000<br><b>135,000</b> | 675,000<br><b>675,000</b>     |
| <b>Admin</b>             |                           | 295,100<br><b>295,100</b>     |                           |                           |                               |                           | 295,100<br><b>295,100</b>     |
| <b>Funding Totals</b>    | 635,400<br><b>635,400</b> | 1,178,400<br><b>1,178,400</b> | 552,700<br><b>552,700</b> | 551,900<br><b>551,900</b> | 2,424,000<br><b>2,424,000</b> | 559,600<br><b>559,600</b> | 5,902,000<br><b>5,902,000</b> |

| Units              | Year 1          | Year 2            | Year 3          | Year 4          | Year 5          | Year 6          | Totals                    |
|--------------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|---------------------------|
| Rental Housing     |                 |                   | 0               | 0               | 15<br><b>18</b> | 2<br><b>8</b>   | 17<br><b>26</b>           |
| Home Ownership     |                 | 20<br><b>21</b>   | 10<br><b>5</b>  | 15<br><b>14</b> | 15<br><b>5</b>  | 9<br><b>5</b>   | 69<br><b>50</b>           |
| Ontario Renovates  | 36<br><b>36</b> | 30<br><b>34</b>   | 19<br><b>21</b> | 17<br><b>15</b> | 16<br><b>22</b> | 0<br><b>0</b>   | 118<br><b>128</b>         |
| Housing Allowance  | Same units:     | 50<br><b>52</b>   | 50<br><b>43</b> | 50<br><b>48</b> | 50<br><b>45</b> | 50<br><b>43</b> | 50/year<br><b>46/year</b> |
| <b>Total Units</b> | 36<br><b>36</b> | 100<br><b>107</b> | 29<br><b>26</b> | 32<br><b>29</b> | 46<br><b>45</b> | 11<br><b>7</b>  | 254<br><b>250</b>         |

| <b>Revolving Loan Fund<br/>(IAH + IAHE)</b> | <b>Balance at<br/>Mar 31/20</b> | <b>Funds used<br/>at Mar 31/20</b> | <b>Number of<br/>Units</b> |
|---|---------------------------------|------------------------------------|----------------------------|
| Home Ownership                              | <b>\$63,295.79</b>              | <b>\$189,943.00</b>                | <b>26</b>                  |
| Ontario Renovates                           | <b>\$216,901</b>                | <b>\$96,886</b>                    | <b>4</b>                   |

### Rental Housing Program

IAHE Funding has been used to add a total of 26 affordable units: 8 at 534 St. Clair St.; 10 at 45 Michener Road (the other two units funded under a different program); and 8 units at 48 Fifth St. (first floor); and all being one bedroom units in Chatham. The latter two projects are 90% complete at the time of writing this report, hence not yet occupied. The balance of funding outstanding will be received from MMAH when the projects are complete and will result in final payment of the 10% holdback to each of the proponents.

### Home Ownership

Chatham-Kent had relatively good success with this program up until Year 5 (2018-19) when house prices began to dramatically increase and significantly raised the average price of resale homes. Because of this, Administration determined to reallocate funds from the Home Ownership program to the Ontario Renovates program in Year 5 (\$53,050) and move the balance of funding unspent in Year 6 (\$79,697) to the Rental Housing Program.<sup>1</sup> Altogether, this IAHE program assisted 50 new home owner households with down payments on their resale home purchases.

This same program has been used to assist Habitat for Humanity Chatham-Kent to fund their new builds:

| <b>IAHE Home Ownership Funding for Habitat for Humanity New Builds</b> |                  |                         |                      |                   |                         |
|--|------------------|-------------------------|----------------------|-------------------|-------------------------|
| <b>IAHE<br/>Year</b>   | <b>Community</b> | <b>IAHE<br/>Funding</b> | <b>IAHE<br/>Year</b> | <b>Community</b>  | <b>IAHE<br/>Funding</b> |
| <b>2</b>   | Wallaceburg      | \$25,000                | <b>5</b>             | Pain Court        | \$8,300                 |
| <b>3</b>   | Charing Cross    | \$21,900                | <b>6</b>             | Chatham           | \$10,000                |
| <b>4</b>   | Blenheim         | \$7,300                 | <b>All</b>           | <b>Year 2 – 6</b> | <b>\$72,500</b>         |

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<sup>1</sup> See "[Ontario Transfer Payment Agreement for Canada-Ontario Community Housing Initiative \(COCHI\) & Ontario Priorities Housing Initiative \(OPHI\) and Municipal Contributions](#)," report to Council, dated June 10, 2019 from Shelley Wilkins, Director, Housing Services.

### Ontario Renovates

This program has been extremely popular in Chatham-Kent. Over \$2.2 million has been used to assist 128 low-to-moderate income homeowners to properly maintain their affordable home. It has also helped another 11 households to make accessibility improvements enabling the homeowners to be adequately housed, meeting their accessibility needs. In 2019, Administration determined that funding needs for home repairs could be adequately met through either the CK Renovates program and/or the Ontario Renovates revolving loan fund for Year 6 of the IAHE program.<sup>2</sup>

### Housing Allowance

At the end of the predecessor IAH funding program, 50 households were transitioned to the IAHE housing allowance program. CK Housing Services had estimated \$135,000 per year would sufficiently fund 50 household units. However, due to rent increases, the target had to be reduced to an average of 46 households/year overall. This program had a few months delay in its start up in 2014, so it will end with the June 2020 rent payments.

For July 2020, the current IAHE Housing Allowance participants will be transitioned to the new Ontario Priorities Housing Initiative (OPHI) Housing Allowance program. However, under IAHE, MMAH did not charge Service Managers for its service in delivering this program; under the OPHI program it will. So, Administration will transition about five of the participants to the new municipal Portable Housing Benefit program instead, to ensure the program budget has sufficient funds to cover the MMAH charge for administrative services.

### Revolving Loan Fund

If program participants exit the Home Ownership or the Ontario Renovates program prior to the end of its term, they are required to repay that portion of the loan not yet forgiven, plus or minus the proportionate value of the capital gain or capital loss on the property relative to their primary mortgage for the home ownership program. This returned funding is attributed to the Affordable Housing Revolving Loan Fund and reused by the respective programs once sufficient funding is available. The Revolving Loan Fund was established at the start of the IAH program (the IAHE predecessor funding program) but has only begun to be used within the last couple of years.

As indicated in the last table above, using the revolving loan funds has enabled CK to assist 26 home buyers and four homeowners to make needed repairs to their homes.

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<sup>2</sup> Ibid

**Consultation**


Manager, Housing Assets North, Infrastructure and Engineering Services provided the actual figures and statistics for the Ontario Renovates program reported in this report.

Program Manager, Housing Services, Community Human Services provided the actual figures and statistics for Rental Housing, Home Ownership, Housing Allowance and Administration funding.


**Financial Implications**

The \$5,902,000 in total funding for the IAHE program has been used to maximum benefit for the Municipality and its residents in need of the various programs it allowed us to provide. Both the provincial funding and the program expenses have been reported in the appropriate annual municipal budgets, with no net effect on the municipal budget.

Prepared by:

  
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Attachment: None

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