

**Municipality Of Chatham-Kent**  
**Community Human Services**  
**Housing Services**

**To:** Mayor and Members of Council

**From:** Ray Harper, Director, Housing Services

**Date:** October 21, 2020

**Subject:** Results of Request for Proposals #R20-184 - Developing Affordable Housing 2020 – Ontario Priority Housing Initiative (OPHI) Year 2 and Municipal Funded Affordable Housing Developments

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**Recommendations**

It is recommended that:

1. 1967177 Ontario Ltd.'s proposal to construct a single story, two-unit semi-detached new build of affordable accessible rental units on their property 90 Wellington St. East, Chatham at a total of \$250,000 (or \$125,000 per affordable unit) from the Municipal affordable housing reserve be approved, which shall be subject to the terms and conditions of a Municipal Contribution Agreement.
2. 1967177 Ontario Ltd.'s proposal to construct a two-story 22-unit new building of affordable rental units on their property at George St., Ridgetown at a total of \$2,718,352 (or \$123,561.45 per affordable unit) from the Municipal affordable housing reserve be approved, which shall be subject to the terms and conditions of a Municipal Contribution Agreement.
3. The Mayor and Municipal Clerk be authorized to execute the Municipal Affordable Housing Program Contribution Agreements with 1967177 Ontario Ltd. to construct a two-unit new build affordable housing project located at 90 Wellington St. East, Chatham and to construct a two-story 22-unit new build of affordable rental units on their property at George St., Ridgetown subject to the projects meeting zoning and building site requirements.
4. The Director, Housing Services to reallocate Ontario Priorities Housing Initiative (OPHI) Year 2 funding in the amount of \$254,690 from planned new affordable housing build to address local social housing buildings in need of repair as per OPHI funding guidelines.

5. The required project-specific Municipal Capital Facilities By-laws be brought before Council, subject to funding for said projects having been approved.

### **Background**

The Director, Housing Services was authorized to issue a Request for Proposal (RFP) for the development of affordable housing in the Municipality of Chatham- Kent, using:

- a. Ontario Priorities Housing Initiative (OPHI) Year 2 funding (\$254,690);
- b. Available 2020 municipal budget for transfer to affordable housing reserve (\$800,000 base funding plus \$438,857 supplementary funding, for a total of \$1,238,857); and
- c. Up to an additional \$1,506,453 from the Housing Services Operations Reserve, bringing the total RFP funding to \$3 million.

The Municipality of Chatham-Kent was notified of OPHI funding allocations from the Ministry of Municipal Affairs and Housing (MMAH) by a letter dated April 17, 2019. On June 24, 2019, Council was informed of the allocations for three provincial fiscal years (2019-20, 2020-21 and 2021-2021) and authorized the execution of the Ontario Transfer Payment Agreement (TPA) with MMAH for OPHI funding. The MMAH subsequently accepted the submitted Investment Plan, and Year 2 of the Transfer Payment Agreement is now being implemented.

### **Comments**

RFP #R20-184 was issued on June 17, 2020 on the [bidsandtenders.ca](https://bidsandtenders.ca) website and closed on July 29, 2020. A respondent's information meeting was held on July 8, 2020 with fifteen attendees in attendance. Two proposals were received for the RFP, neither of which targeted the OPHI Year 2 \$254,690 funding. Both proposals only targeted the Municipal funding portions of the RFP. After review, the Director, Housing Services along with the RFP Evaluation Committee deemed neither proposal met the necessary requirements in the best interest of the Municipality of Chatham-Kent. Proponents were updated on the process via [bidsandtenders.ca](https://bidsandtenders.ca) website emailing system.

The Director, Housing Services was approached by another affordable housing developer that has previously completed, and is currently constructing, two affordable housing projects for the Municipality of Chatham-Kent. This developer has presented two affordable housing projects that have been detailed in this report. Both of these proposals were evaluated as per the standard affordable housing development evaluation process by the evaluation committee and have been recommended by the RFP Evaluation Committee to support.

The proponent is seeking funding to build a single story, semi-detached two-unit building at 90 Wellington St. East, Chatham. The two-unit building proposed includes two one-bedroom affordable units that are both accessible.

The proponent is requesting a total of \$250,000 in funding for the two affordable units, or \$125,000 per affordable unit. Both of these ground floor units are to be accessible units.

A new property must be created through a severance process to facilitate development at 90 Wellington Street East, Chatham. The lands are currently part of a larger lot that contains a semi-detached dwelling (51 Kirk Street). The proponent submitted the necessary applications for Consent to Sever and Minor Variance to Planning Services on October 1, 2020. Planning Services has indicated that this application is anticipated to be before the Committee of Adjustment at its November 19, 2020 meeting. The property is zoned Residential Low Density Third (RL3), which permits the proposed semi-detached dwelling.

The proponent is also seeking funding to build a two-story, 22-unit building of affordable rental units on George Street in Ridgetown. The 22-unit building proposed is comprised of 22 single one-bedroom affordable units, 11 of which will be accessible units on the ground floor. This proposal will have a significant positive impact on the current 45 people on the Centralized Waiting List (CWL) that have listed Ridgetown as one of their preferred housing locations.

The proponent is requesting a total of \$2,718,352 in funding for the 22 affordable units, or \$123,562 per affordable unit. This amount is below the cap of \$125,000 per affordable housing unit and 50% of these units being accessible which greatly exceeds the Municipality of Chatham-Kent's 10% minimum level.

Construction of an apartment building requires Site Plan Control approval prior to obtaining municipal building permits. Planning Services has indicated that it will advise the proponent of the requirements of making a Site Plan Control application. It is anticipated that the application will be presented at a Council meeting in early 2021. The property is zoned Residential Medium Density Second (RM2) which permits an Apartment Dwelling.

The need for affordable housing in Chatham-Kent has significantly grown in recent years. The proponent's proposals for affordable housing, target priority populations and community need, which includes: (1) One bedroom units, (2) Seniors, (3) People experiencing or at-risk of homelessness, and (4) Accessible units (54% of the total units). The proponent has also included an agreement with the supportive service provider, Community Living, for the 90 Wellington St. East, Chatham units to target specific sub-populations such as persons with disabilities receiving Ontario Disability Support Program (ODSP) benefits whom are in great need of affordable housing.

The Director, Housing Services will submit draft Contribution Agreements to Legal Services for review and approval prior to issuing to the proponent for execution.

The Bilateral Agreement sets out the following broad uses of funding for COCHI and OPHI, which will assist in achieving the goals of Ontario's Community Housing Renewal Strategy. The Director, Housing Services has received approval from MMAH to utilize

the OPHI Year 2 \$254,690 funding to address local social housing buildings in need of repair as per OPHI Guidelines.

### **Areas of Strategic Focus and Critical Success Factors**

The recommendations in this report support the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

### **Consultation**

Due to the RFP R20-184 not producing any recommended proposals and another housing developer approaching the Director, Housing Services with these two proposals the Director, Legal Services as well as the Purchasing Officer for the Municipality of Chatham-Kent have been consulted by Housing Services.

A Financial Analyst I has reviewed the financial implications section of this report for accuracy.

The Manager, Planning Services confirmed the planning applications status for the properties in question.

The Director, Legal Services has committed to reviewing the Contribution Agreements drafted by Housing Services.

### **Financial Implications**

The following chart summarizes the total funding proposed for the Affordable Housing Developments:

OPHI Year 2 \$254,690 Funding re-allocated to repairs:	(\$0)
Transfer from CK Affordable Housing Reserve	(\$1,238,857)
Transfer from Housing Services Operations Reserve	(\$1,729,495)
90 Wellington St. East, Chatham – New Build	\$250,000
George St., Ridgetown – New Build	<u>\$2,718,352</u>
	\$0

The following chart summarizes the CK **Affordable Housing Reserve** impact (as of October 21, 2020):

CK Affordable Housing Reserve 2020 Estimated Current Balance	\$1,783,785
Proposed Affordable Housing Developments	(\$1,238,857)
<b>Balance</b>	<b>\$544,928</b>

The following chart summarizes the **Housing Services Operations Reserve** impact (as of October 21, 2020):

Housing Services Operations Reserve 2020 Estimated Current Balance	\$5,798,672
Proposed Affordable Housing Development	(\$1,729,495)
<b>Balance</b>	<b>\$4,069,177</b>

Prepared by:

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Reviewed by:

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General Manager

Community Human Services

Consulted and confirmed the content of the consultation section of the report by:

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Victor Ferreira, CPA, CGA  
Financial Analyst I  
Financial Services, FBIS

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Jennifer Scherle  
Purchasing Officer

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Dave Taylor  
Director, Legal Services

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Ryan Jacques, MCIP, RPP  
Manager, Planning Services

Attachment: None

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OPHI and Municipal Funding for New Affordable Housing Builds.Docx