

Chatham-Kent COVID-19 Economic Recovery Municipal Response Report

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Executive Summary

COVID-19 has changed the landscape of the world. In response to the pandemic, Public Health took the lead on keeping Chatham-Kent safe. The economic impact of COVID-19 varied, depending on if your employment, business or organization was considered 'essential' or 'non-essential'. The impact of COVID-19 was also unevenly felt across our economy. Service industry sectors such as restaurants, bars and hair salons were severely affected due to the restrictions placed upon them. Whereas other sectors, such as certain manufacturing industries and essential service providers saw dramatic increases in demand during the same period.

To understand how Chatham-Kent's economy has been impacted, Council launched the Chatham-Kent Economic Recovery Task Force (Task Force). The Task Force, comprised of nine sector subcommittees, were tasked with identifying what CK could do to support economic recovery. On May 25, 2020, the Task Force presented Council their final report "[We are CK](#)". Council received the report and requested administration review Task Force report recommendation #3 Grow CK's Economy, #4 Decision Making in Chatham-Kent and #5 Review Sector Recommendations and Comments.

During June and July, meetings occurred with all sectors to understand what had changed since the Task Force report, what the current priorities were and what the municipality could do to continue supporting recovery. Many changes were occurring that needed to be communicated. Some changes administration could do immediately within their departments including ensuring no competition with the private sector. Several ideas emerged that either required more investigation and/or resources. These items are labeled in this report as recommendations, which administration will develop into formal reports to Council for consideration at a later date. A Growth and Recovery Strategy session is scheduled for September 28, 2020 where administration will review and discuss.

Cross-cutting themes from the Task Force report and sector meetings included the need for investments in critical infrastructure such as high-speed internet, financial supports and lower taxes, plus enhanced communication with the municipality; these were identified as top recovery issues by all groups. To support these themes, administration suggests the following options to Council:

- To support CK's growth and recovery through the 2021 Budget process, CK extends the free permitting for fibre facilities across CK for 2021-2022 at an estimated cost of \$900,000.
- To support CK's growth and recovery, Council consider upcoming reports that will increase efficiencies, reduce service levels, close the infrastructure gap and rationalize staffing requirements to reflect the current economic realities and future needs of CK residents.
- That administration investigate a community engagement policy and tool-kit to ensure the community voice is reflected in decision-making and report back to Council.

These items will be provided in the formal reports to Council.

Task Force recommendation three on growing CK's economy could be broken down into planning and financing growth. This recommendation aligns with the previously Council-approved Growth Strategy and confirmed the desired direction. To expand on planning, it is

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recommended that specific area infrastructure service reviews are completed and the planning function for growth enhanced. To finance growth, administration recommends considering development charges, so growth pays for growth, debentures/borrowing, service level changes and accessing senior level government funding, whenever possible.

Task Force recommendation four on decision making in CK supported administration working on an amended purchasing by-law. The concept of a Land Development Corporation was suggested by the Task Force. It has been determined that this be reviewed in more detail for a specific project in 2021.

Task Force recommendation five was to review the sector comments. Through this, multiple themes beyond the cross-cutting ones above were identified.

- Promote local – buy, source, support
- Help business and organizations open safe
- Advocate to senior levels of government
- Provide community supports for people such as addressing mental health
- Continue community recovery
 - Collaborate
 - Market CK
 - Invest CK
 - Support workforce development

In response to the sector discussions, the following options will be brought to Council for consideration:

- Council to receive an update on options to amend the purchasing policy to support local while still complying with the legal requirement.
- If COVID-19 funding criteria allows, Council to allocate up to \$250,000 to offer Digital Main Street supports to business outside of the 1 KM designated radius of the existing grant. These additional dollars will allow the business to receive support in re-building through an e-commerce model.
- The Municipality provide an additional \$100,000 per year for the next 5 years, to expand the existing Home Ownership program administered by Housing Services as per their existing criteria. Funding for this would come from existing working capital as the program revolves around repayable loans.
- To provide \$20,000 funding to the Chatham-Kent Not for Profit network to be used for promotion/marketing a central resource that will connect the non-profit sector together for information sharing, access, and navigation.

As COVID-19 continues, Task Force members encouraged administration to look at COVID-19 as both a crisis and an opportunity- an opportunity to respond to needs and look at how the municipality can both recover and thrive in a pandemic era.

To review both Task Force and administration's recommendations, a virtual strategy session will occur on September 28, 2020. This will allow Council, administration and the Task Force to review the current state of CK's economy and to discuss strategies to move forward.

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COVID-19 Responding to a Pandemic

The [CK Plan 2035](#) and Chatham-Kent (CK) Council [Term of Priorities](#) state, “As a municipality, we are committed to being financially sustainable, resilient, open and transparent and collaborative”. These principles have guided the municipal economic response to the COVID-19 pandemic.

On February 10, Council approved the CK Growth Strategy to increase the population, jobs, and new tax assessment, which support CK’s quality of life. Just 32 days later, CK’s Medical Officer of Health declared COVID-19 a public health emergency. In accordance with Provincial directives, schools, non-essential business and non-profit organizations etc. closed. People took precautions to be physically distanced. Many began working remotely, many became unemployed and the economy of CK changed overnight. In response to COVID-19, Public Health took the lead to keep people safe and the focus of the municipality pivoted to our community’s [recovery and growth](#) from the pandemic. From the start and to this day, the priority has been to follow Public Health guidelines to reduce the spread of COVID-19. Doing so, protects lives, has avoided a worse economic outcome and allows the economy to recover, adapt and become more resilient over time.

To support business, organizations and entrepreneurs, many initiatives were enhanced or started by the Municipality. [Appendix A](#) provides a timeline of the corporate activities related to economic recovery.

Wanting to hear from the business and non-profit sectors, the Mayor hosted a virtual community discussion. Over 200 people shared their thoughts on the impact of COVID-19 and ideas for recovery. From this, the [Chatham-Kent Economic Recovery Task Force](#) (CKERTF) was created.

On May 25, 2020, Council received the CKERTF final “[We are CK](#)” report. Significant thanks goes to the volunteers who provided input during challenging times. Their input has been reflected in the decision-making around shaping policies and programs to support recovery.

In support of the “We are CK” report, Council approved the following motion:

1. Council receive the reports from the Task Force and staff for information.
2. Council endorse and support the creation of an independent CK Business Advisory Group as requested by the Economic Recovery Task Force.
3. All committees and boards of Council discuss ways to work in collaboration with the new Business Advisory Group.
4. Staff organize, plan and schedule a strategic planning session with Council and the Task Force/Business Advisory Group. This session will take place before the end of June of this year. The results will be reported back to Council.
5. Administration will provide a report on the options listed in recommendations #3, #4 and #5 of the Task Force Report.
6. That staff consult with the Economic Recovery Task Force and report back to Council with program criteria, recommendations and options for 2020 service level adjustments for funding sources for the up to \$2M requested for immediate relief strategies outlined by the Task Force.

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As per Council's request to review Task Force recommendation #3, #4 and #5 of the We are CK report, administration met with the Task Force co-chairs and sector co-chairs. The purpose of the meetings were to:

- Learn what has changed since the We are CK report to identify the current state of recovery.
- Review sector comments for clarity, to determine jurisdiction and communicate what has been done.
- Learn what is needed most from the Municipality to aid recovery and re-build.

The following is in response to Council's request and provides a summary and analysis resulting in several administrative recommendations that will result in formal reports to Council at a later date.

On September 28, 2020 Council, administration and the Co-Chairs of the Task Force will hold a virtual strategy session to review the current state of CK's economy and to discuss strategies to move forward. This session will be livestreamed through a partnership with YourTV and can be seen via [YouTube](#) or [Facebook](#).

Cross-Cutting Themes

Throughout the Task Force report, there were three themes reflected within recommendation #3 "Grow CK's Economy" and the majority of the sector reports. These include the need for access to high-speed internet, financial support in grants or reduced taxes and continual communication.

Invest and Accelerate Access to High-Speed Internet

In December 2016, Canada declared internet access a fundamental right for all. Throughout the Task Force report and discussions, the single most mentioned item was the need for CK to have better internet access. Some sectors spoke around the limited speed coverage in rural areas and shared how they are not able to adapt to COVID-19 because of internet access.

Council and administration have been addressing this issue through:

- Being a member of the Southwestern Integrated Fibre Technology, Inc. (SWIFT). Council invested in SWIFT to leverage federal, provincial and private sector funding for fibre projects. CK contributed \$762,400 to SWIFT in previous budgets and in 2020, Council approved an additional \$3.6M loan which is anticipated to result in over \$10M in high-speed fibre invests. Closing date for request for tenders is Nov. 13, 2020. [LINK here for details.](#)
- On August 10, [Council approved](#) that the Municipality of CK provide a letter of support for TekSavvy Solutions Inc. Connectivity for Ontario Program (ICON) grant application to build fibre facilities within Chatham-Kent in accordance with a plan presented to Council and administration in Closed Session. The specific locations are confidential, subject to a non-disclosure agreement, and have been shared with Council and administration.
- On September 14, Council approved a \$6.5M forgivable loan to TekSavvy Solutions Inc. for the construction of backbone fibre facilities through many rural areas.
- CK is supporting many high-speed broadband projects across the municipality with letters of support, free permitting services and staffing to speed up projects. 2020 support letters have been submitted for the recent ICON grant program on behalf of TekSavvy, North Frontenac Telephone Co., Cogeco Connexion and Bell Canada.

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- The Municipality supports high-speed broadband projects across the municipality with support letters and:
 - In-kind Engineering permitting for internet service providers, including a streamlined consent, encroachment permit process and field site meetings to determine ideal placement within right-of-way where applicable.
 - Identification of Municipal anchor locations in proposed project areas to support grant applications.
 - Identification of Municipal capital projects which may assist in reducing costs for installing infrastructure. This includes opportunities such as installation of additional conduit during planned capital projects such as the Round-the-River Trail.

Recommendation

To support CK's growth and recovery through the 2021 Budget process, CK extends the free permitting for fibre facilities across CK for 2021-2022 at an estimated cost of \$900,000.

Financial Support in Grants and Lower Taxes

Stories in the "Lived Experience" section of the report, plus discussions with Task Force members, stressed the financial and emotional burden COVID-19 has caused employers and employees alike. Since Municipal governments cannot be in a deficit position, the need for Federal and Provincial supports is critical. Ideas from the sectors included property tax deferral or forgiveness, grants for training, increased costs or incentives for growth, tax rate adjustments, and municipal service level reductions to reduce their impact on the tax base in the short and long-term.

Council and administration have responded to these concerns in the following ways:

- Upon receipt of the Task Force report, Council approved the following motion, "That staff consult with the Economic Recovery Task Force and report back to Council with program criteria and recommendations and options for 2020 service level adjustments for funding sources, for up to \$2M requested for immediate relief strategies outlined by the Task Force".
- On June 15, 2020, Council directed administration "To prepare the 2021 Draft Budget with a target increase of Consumer Price Index as well as the additional annual Asset Management Plan increase and, that consistent with the adoption of the CK Recovery Task Force recommendations by Council, administration provide further options to reduce the 2021 budget impact to 0%. Options for 0% requiring significant changes to infrastructure, facilities, or services require administration to provide an interim report by October 19, 2020."
- On July 14, 2020, Council approved a [financial resiliency and Covid-19](#) report to reduce services for cost savings.
- On August 10, 2020, [Council approved](#) a \$200,000 Small Business Grant Recovery Program to provide up to \$5,000 to assist small businesses adversely affected. This grant was targeted to business who did not qualify for other government funding. All applications were reviewed and subsequently Council approved 70 grants of \$2,857 to be distributed to businesses/not-for-profit groups.
- On August 10, 2020, Council approved a motion for administration to develop a [Multi-Year Budget Policy](#) for their consideration.

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- On August 10, 2020, Council approved the report, "[2021 Budget Opportunities for 0%](#)" including the following recommendations:
 - Council approve further analysis of the proposed items related to service delivery to efficiently provide quality core services to Chatham-Kent residents and to achieve a 2021 Budget target of 0%.
 - Detailed reports be brought to Council on or prior to the November 9, 2020 Council meeting for Council's final approval ahead of 2021 budget deliberations.
- Administration explore opportunities to identify and/or work with local non-profits or small businesses, which are providing similar services, with a view to reducing and/or eliminating potential duplication.

Multiple reports will come before Council in the coming months in response to the above bullet points. These include updating corporate policies with improvements to efficiency and accessibility, service level reviews and permanent service reductions, reflecting today's needs and multiple facility and infrastructure permanent closures.

In addition, at the September 2020 Growth and Recovery Strategy session, Council will be asked for direction to move this theme forward. Through the Task Force, Council has been challenged to "think differently, to have clarity of vision and effect change to the status quo". They acknowledge that "This will not be an easy task nor do we think it will happen overnight. It will require great leadership and difficult decisions will need to be made" (Quoted from the Task Force report, p. 8). During the strategy session, administration will be looking to Council to determine level of interest to make system changes in support of this theme.

Recommendation

To support CK's growth and recovery Council consider upcoming reports that will increase efficiencies, reduce service levels, close the infrastructure gap and rationalize staffing requirements to reflect the current economic realities and future needs of CK residents.

Continual Communication

Task Force members expressed gratitude for being engaged and multiple times requested continued collaboration. Council and administration have expressed a desire to continue working with the proposed Business Advisory Group.

A desire of Council is that, "the voice of the community is reflected in municipal decision-making" and "welcome continued collaborative partnership to advance the vision of CK". ([Council Term of Priorities](#))

Recommendation

That administration investigate a community engagement policy and tool-kit to ensure that the community voice is reflected in decision-making and report back to Council.

Task Force Recommendation 3: Grow Chatham-Kent's Economy

Concerns for CK's future were highlighted in the Task Force report. "In December 2019, Council received a Municipal Comprehensive Review" that stated, based on current trends "between now and 2045 CK is projected to grow by just 0.1% in the 26 years". This led to the development of recommendation #3 to Grow CK's Economy, which also aligned with the growth strategy approved by Council on February 10, 2020.

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During COVID-19 the Municipality supported the economy and local development by ensuring the municipality was “open for business” by continuing to accept and process planning and community improvement applications, in contrast to many other municipalities who reduced or eliminated their planning and development services during this period. By doing so, this supported development and “shovel ready” projects after the Province lifted the Building Permit COVID-19 restrictions.

2019-2020 has seen an uptake in traditional housing development but also significant interest in medium/higher density housing forms and affordable housing options. The development activity in CK is currently occurring at a greater pace than in years past and is projected to remain strong in 2021. While this is good news, in order to sustain growth in the years to come, there is a need to focus on further planning and investments in core infrastructure. **Creating additional “shovel ready” lands take time; therefore, it is essential to begin the planning process several years in advance.**

Upon discussion with the CKERTF co-chairs, it was agreed all the items noted could be synthesized in the theme of planning and financing to support growth and should be prioritized in order to move forward. The following summarizes what is occurring and options for Council’s considerations.

Planning for Growth

Multiple activities have occurred in support of growth in CK and planning in the past 10 months. These include:

- Council approved
 - [The Climate Change Action Plan Terms of Reference](#)
 - [The Municipal Comprehensive Review](#)
 - [The CK Growth Strategy](#)
 - [A Competitive Community Improvement Program](#)
- Completed extension of Prosperity Way at Bloomfield Business Park
- Completed Hyland Drive extension at Blenheim Business Park
- Approved 35-acre privately-owned industrial park on Park Ave

The Chatham-Kent Official Plan (OP) is the foundational policy direction, or playbook, that guides short and long-term development of all lands within the boundary of CK. The OP reflects Provincial and local priorities and is updated every five years. In preparation for the OP to be updated, in 2021 [The Municipal Comprehensive Review](#) was completed. This report includes:

- Long-term population, housing, and employment forecast by primary urban centre, secondary urban centre and rural area.
- A review of opportunities to accommodate residential and non-residential development within the built-up area and designated greenfield areas.
- An assessment of long-term residential, commercial and employment land needs.

Recommendations in the report referenced creating employment growth or industrial/business parks and developing a greenhouse strategy. Each of these items require an assessment of land and infrastructure. Therefore, administration recommends a review of existing designated growth-areas within various urban centres for level of “shovel-readiness” and identify

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infrastructure constraints to development. This review will undertake area-specific infrastructure “servicing reviews” to look at:

- Infrastructure; water/wastewater, roads and transportation, rural high-speed internet
- Prioritizing growth-related core infrastructure investments in strategic locations
- identification of projected capital costs building off other Master Plans
- Partnerships

Moving forward, infrastructure-servicing reviews will start the next phase of the OP review, which will also investigate potential growth options beyond designated growth areas along with the magnitude and timing of future capital investments in infrastructure.

In addition, the report suggested the items in the first set of bullets and below is what the corporation is doing:

- Create a residential housing development strategy.
 - Many items are occurring in CK which can be seen in Appendix B
- Complete a comprehensive Agriculture Food and Processing Industry - Business Development Review.
 - As this is dependant on what infrastructure is in CK, components of this will be embedded with the recommendations for area specific infrastructure ‘servicing reviews’ and when the Official Plan is updated.

Recommendation

- For Council to continue to invest in growth and allocate additional funds to plan and respond to market driven demand.

Finance Growth

To help finance growth the report suggested the items in the first set of bullets and below is what the corporation is doing:

- Consider [development charges](#) as a source of revenue to pay for infrastructure.
 - Council will be receiving a request to complete a Development Charge Background Study that must be completed prior to implementation.
- Offer debentures to fund infrastructure that offers a return on investment (ROI) for the Municipality-both industrial and residential.
 - This item will be reviewed at the September 28, 2020 Council Strategy session.
- Review and dedicate more funds to municipal Brownfield, Bluefield and Greenfield strategies.
 - In March of 2020, Council approved the new CK Community Improvement Plan (CIP), which provides significant incentives for new Greenfield developments, expansions and redevelopment opportunities. The CIP focuses on incentives for large apartment buildings, affordable housing developments, commercial, mixed-use commercial/residential and employment (industrial) uses. In addition, the Brownfield and Bluefield Community Improvement Plan (BBCIP) has been in place since 2005. It covers the entire Municipality and provides financial incentive programs to remediate both properties where past actions have resulted in actual or perceived contamination (Brownfields) and institutional or community facilities that are no longer in use (Bluefields).

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- Build infrastructure and programs to support quality of life that will give this community a balance between future growth and quality of life services.
 - Many of these items are beyond the authority of the Municipality. Over the years, Council has supported investment in trails, fit parks, dog parks and children/youth investment in places like the YMCA, and University of Guelph, Ridgetown College Research Centre. The St. Clair Catholic School Board's two new schools are an excellent example of how infrastructure and programs support quality of life and create a community that people want to live, learn, work and play.
- Consider offering a lease to own and/or long-term leases through a public/private option with CK, thereby allowing more cash to remain in the businesses.
 - This is currently not being considered.
- The Municipality to allow staff to work from home on a permanent basis and reduce office space and buildings required.
 - Human Resources is currently analyzing results of lessons learned from staff working remotely due to COVID-19, and preparing recommendations regarding a Working Remotely Policy.
- Reduction of services and infrastructure assets based on least used assets and services. Use surplus funds/savings to invest in growth infrastructure and assets that both yield an ROI, as well as meet the targets for 2035 growth strategy.
 - This item will be reviewed at the September 28, 2020 Council Strategy session and through multiple reports that will follow.

Recommendation

- Council to approve proceeding with a Development Charge Background Study.
- Council consider debentures for new industrial, commercial and residential required infrastructure.

Task Force Recommendation 4: Decision Making in Chatham-Kent

Task Force recommendation four acknowledges that, at times, Council is put in the position of having to balance between voting for the needs of their ward versus the whole of CK. Through discussion with the co-chairs, they encouraged administration to look for ways to de-politicize decisions and focus time spent on strategic versus operational items like, "identifying what sidewalks will be updated" as per the Task Force report.

The Task Force requested all processes and procedures within Council's control, including the creation of a Land Development Corporation (LDC), to act as a board over business parks, land development, and investment in growth.

Aligning with the Task Force recommendation, administration is reviewing the Purchasing By-law that indicates what purchases need to be brought to Council for voting. In late fall of this year, Council will receive a report recommending an increase dollar value that administration can approve in order to align with price increases since the last by-law, which can limit the number of operational items Council needs to review.

During Council's January 2020 Growth Strategy session, a Land Development Corporation was identified by staff as an option to support growth. In light of pivoting from growth to COVID-19 recovery, this has not been a priority and is recommended to be reviewed once a Development Charge study and further planning work is completed.

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Initial research has revealed:

- In Ontario, CK has the authority to establish an LDC under the Municipal Act, for the purpose of providing one or more economic development services including the acquisition, development and disposal of sites in the Municipality for residential, industrial, commercial and institutional uses.
- The Municipal Act requires the preparation of a business case.
- The town of Oakville completed a Land Development Corporation study and found the key rationale for the creation of their proposed LDC included:
- The ability to negotiate effectively in the market outside of the political system.
 - To clearly separate the roles and mandate of Town staff.
 - To separate the Town's statutory approval role from the Town's role in land development.
- An LDC requires a governing body, which should include Councillors and community members with support provided by administration.
- An LDC is best utilized when a specific project is identified.

Recommendations

- That administration:
 - Bring an amended Purchasing By-law to Council for review.
 - In 2021 review the models of a Land Development Corporation and host some form of education session for Council.
 - Review with Council opportunities to rebalance Council's delegation of authority in a manner that ensures Council retains the necessary governance oversight while increasing efficiencies to support the achievement of Council's term priorities and long-term strategic goals as detailed in CK Plan 2035.

Task Force Recommendation 5: Review all Task Force Sector Recommendations and Comments

The following reflects nine sector discussions that occurred with sector co-chairs, an executive manager and staff in areas of expertise. Each section summarizes the key items of interest and the Municipal actions plus recommendations for Council's consideration.

Small Business & Entrepreneur

From discussion with the sector co-chairs, the following overarching themes summarize the sector discussions:

- Increase the availability and speed to the internet
- Promote local
- Provide tax relief and grants
- Help business open safe and re-build

Beyond the cross-cutting themes, the following Municipal actions have or will be occurring:

- Shopping local is encouraged through:
 - EMT is reviewing the current purchasing policies
 - Economic Development has implemented an ongoing [#ShopCK campaign](#) to remind people to shop local, the Our Restaurants - Federal Chamber of Commerce campaign to eat local and is supporting provincial and federal campaigns such as [#GoCanadaUnited](#) to help build the habit of choosing local

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- Consolidating and promoting where [local PPE](#) can be purchased
- Continuing to support the development of new and existing small businesses through programs such as [Starter Company Plus](#)
- Support for business have been enhanced through:
 - Economic Development compiled and connected with a database of 200 plus critical businesses regarding opening/closures, curbside pickup regulations, potential funding available, PPE supplies and equipment, etc.
 - Creation of reopening and safe workplace webpages through [InvestCK and CK Public Health Information for Workplaces](#)
 - COVID-19 phone lines created and/or promoted
 - Ontario Stop the Spread business line: 1-888-444-3659
 - COVID-19 information line started by CK Public Health; from April 1 to June 26, 2020, 6417 calls were received
 - COVID-19 enforcement program started by Community Development/Building Services; from April 1 to June 26, 2020, 1526 inquiries were received through phone/email
 - Public education campaigns launched
 - CKPH lead a public health campaign to reduce the spread of COVID-19. From March 9 to July 18, 2020, 25 media releases, 16 videos and 63 graphics were released
 - Economic Development supported this campaign focused on business

Recommendation:

- Council to receive an update on options to amend the purchasing policy to support local while still complying with the legal requirement.

IT & Communications

In discussion with the sector co-chairs, the following items were reviewed:

- If a pandemic like COVID-19 occurred again the sector would like to have common messaging and consider a co-op advertising program between local media, business and the municipality.
- It is critical that business have the capacity and skills to take their business online providing an option to the traditional bricks and mortar services. The Digital Main Street program, run by the Economic Development department, was highlighted as a great resource but concerns were expressed on the Provincial requirement around limiting who could apply.
- Encouraging people to shop local is a way to enhance the local economy; various business, networks and organizations are promoting this.
- Group purchasing for PPE could have been done to support early access and bulk purchasing.
- The key item is to have ongoing communication with the sector.

As many of the sector ideas were being addressed, the following update was provided:

- Economic Development is supporting business to be online through:
 - Administering an Ontario Business Improvement Association grant by providing 52 CK businesses training and a \$2,500 grant (Oct/19 – May/20).
 - Administering a Small Business Digital Improvement Grant Program supporting urgent needs for 24 CK businesses in training and a \$2,500 grant.

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- From a successful grant application, phase two of the Digital Main Street will be offered to business within a 1.5 KM radius of the downtown.
- Promoting the Recovery Activation Program offered through the CK Chamber of Commerce.
- Economic Development created a COVID-19 business resource hub, which is continually updated.
- Shopping local is being encouraged as referenced on page 11.

Recommendation:

- If COVID-19 funding criteria allows, Council encouraged allocating up to \$250,000 dollars to offer Digital Main Street supports to business outside of the 1 KM designated radius of the existing grant. These additional dollars will allow the business to receive support in re-building through an e-commerce model.

Real Estate & Construction

The Real Estate and Construction co-chairs emphasized the importance of attracting a strong, educated labour force and the need for housing. The following ideas were reviewed along with actions the Municipal is taking or considering:

- Create an external marketing campaign to recruit young professionals/tradespeople
 - The Community Attraction and Promotion area markets CK to internal and external audiences with the aim of attracting new residents/visitors and retaining existing residents and young people. COVID-19 presents clear opportunities to continue to promote CK's lifestyle to audiences in more densely populated areas. In development is a campaign to promote CK to telecommuters that has received support from community stakeholders
- To centralize municipal services in geographical hubs
 - This topic is within the broader discussion of right-sizing infrastructure and will be reviewed with Council during their Strategy Session
- To create a private/public website that supports residents and newcomers to connect
 - The Municipality is in discussion with www.connect2CK.ca to determine support
- To offer incentives to first time home buyers who move to or stay in CK
 - Currently the municipality is not looking at incentives for all but does recommend that additional funds are allocated to the existing [Home Ownership](#) program run by Housing Services. This would allow more people to enter the home market and buy a first-time home allowing others to move into a higher price home
- To put employees contact details on the municipal website to call directly
 - This suggestion will be considered while balancing security concerns. All employees can be reached by calling 519-360-1998
- To develop an online tracking software and establish benchmarks for building permits with expectations for turnaround times and make this publicly accessible
 - Currently the building department is not considering online permit applications, which would include a public tracking system due to technology limitations. Tracking of building permits is done internally and any customer is welcome to call for a status update. The department continues to actively recruit additional staff to meet the demands of the increased building activity being seen across the Municipality.

In addition, discussion on items that were embedded in recommendation #3 - Grow CK were viewed including the need to promote industrial land development with partners, to plan for

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infrastructure needs and having community input when updating the Official Plan. The municipality was also encouraged to increase fees and use debentures to fund infrastructure. Council will be receiving a request for a Development Charge Background Study that would address this.

Lastly, in support of reducing taxes it was recommended that a review of internal operations and other private/public partnership agreements be done, which fits with the cross-cutting theme of 'Financial Support and Lower Taxes'.

Recommendation:

The Municipality provide up to an additional \$100,000 per year dependant on staff capacity for the next five years to expand the existing Home Ownership program administered by Housing Services as per their existing criteria. Funding for this would come from existing working capital as the program revolves around repayable loans.

Food Service & Hospitality

The food service and hospitality sector continues to struggle. On August 26, 2020, the Canadian Chamber of Commerce warned that 60 percent of accommodations and food service business could close permanently in the next three months. Feedback from the sector chair highlighted the emotional strain and financial concerns local owners are facing.

Many of the original recommendations for action have been completed or are now not applicable. The following are the critical items that were discussed:

- Consider how Council can advocate for long-term support in order to recover and rebuild.
- Continue to loosen sidewalk sale permits and have an increased flexibility in the special events policies. Administration noted that any BIA's could ask for street closures. An example was discussed that could be a summer patio festival where downtown streets are closed each Friday. It was also acknowledged that this does not help businesses outside of the BIA area.
- Promote and buy local. As discussed in the IT and Communication section (see page 11). Supporting local whenever possible is critical to the sector.
- Support business in essential training and use local venues. One idea that emerged was if WHMIS could be offered for employees whereby reducing costs to the owner. This supports increasing skills within the labour force and offsets costs for owners.
- Provide PPE supports and grants.
- Extend the tax deferral and consider tax forgiveness.

From the discussions, the following items are being pursued:

- Staff to let BIA's know their ability to request street closures through the special events permits.
- To support ease of access to restaurants staff will bring a report to Council that further outlines options for patios.
- Staff to respond to any concerns restaurants owners have in relation to the municipal food contracts.
- Staff to consider if mandatory collective training can be offered to businesses.
- CK Public Health (CKPH) supports food establishment's COVID-19 compliance through:

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- www.ckph.com/covid-19/posted detailed guidelines.
- Electronic updates are sent to all businesses as provincial requirements change.
- Business who have additional questions can call CKPH's COVID hotline at 519-360-1998 ext. 1900.
- CKPH enforces provincial standards and food safety guidelines. During inspections, public health inspectors provide COVID-19 education and results are posted at www.checkit.chatham-kent.ca.
- As every situation is different depending upon each positive case of COVID-19, should a business have a staff member who has tested positive, CKPH will work with them to provide advice regarding closure, protecting staff and patrons, cleaning of facility, etc.

A PPE grant or tax forgiveness is not being considered as both the Small Business Recovery Grant and the request of lower taxes to mitigate taxation support these. Additionally, staff reviewed the current sidewalk permit patio policies and confirmed the need to provide accessible sidewalks is required; however, they continue to offer support to business whose properties will allow changes. Support is provided through consultation and providing barriers equalling approximately \$3,500 in-kind to the business. Since COVID-19 there have been ten requests with two not proceeding due to cost.

Non-Profit Sector

To provide an update impact report on the non-profit sector, the co-chairs implemented an additional survey completed between August 7-17, 2020. Findings included:

- The number of staffing is reducing.
- 33% of organizations are not able to operate.
- Half of respondents replied they could operate within their current financial situation for up to 12 months.
- Financial support is the greatest need with access to reliable information being the second.

From reviewing the report and collective discussion, the following items were identified:

- Any changes to licensing requirement would require both provincial and federal change. To help with processes and completing forms, municipal customer service representatives or departmental leads are available and checklists can be found at,
 - <https://www.chatham-kent.ca/community-services/licensing/lottery-licences>
 - <https://www.chatham-kent.ca/community-services/licensing/lottery-licences/raffle-licences>
- For special events, an online portal option was reviewed. Currently, improvements in the special events process have occurred with the application being made accessible and AODA compliant; creating an online application database would require substantial revision of the process and risks leaving a percentage of the community unable to apply. The special events staff are open to investigating the options to simplify the current application and facilitate a conversation throughout the community to support; further details can be seen at the [Events on Municipal Property](#) page on the website.

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- The best way to support the non-profit sector is to aid organizations in their knowledge of services, programs and options available to them.
- Non-profits are currently collaborating with GIGIT, which could be expanded to be a central resource like the Pillar website from London. There is no cost for non-profits to join GIGIT.

Recommendation:

To provide \$20,000 funding to the Chatham-Kent Non-profit Network to be used to promote/market a central resource that will connect the non-profit sector together for information sharing, access and navigation.

Agriculture & Food Processing

The Agriculture and Food Processing sector identified the following critical items the Municipality should focus on:

- Reliable, high-speed internet
- Investments in infrastructure. Extreme frustration was heard that companies are not able to expand due to lack of water, gas, etc.
- Workforce; both skilled workers and migrant workers

Ideas generated from additional discussions with sector representatives included:

- A one-stop dashboard for communication from the Municipality.
 - A corporate communications service review is ongoing to review the best mechanism for communications going forward and to assist with residents having one place to go to for information.
 - www.invest.ca/COVID is a central location for all supports for business.
- Municipal interpretation of federal/provincial regulations and guidelines e.g. construction and renovation sector.
 - This was offered through the COVID-19 helplines. Any questions people have can be emailed to: covid19@chatham-kent.ca.
- Continual communication from elected officials in times of crisis.
 - The Mayor, Medical Officer of Health, CAO and guests held a Facebook Live weekly session. Once community interest was not evident, these sessions transitioned to weekly sessions with the media.
 - Access to mental health care for those isolated/adversely affected by the pandemic.
 - Recognizing COVID-19 has had a great impact on people's mental health, CKPH created the [Mental Health COVID-19 hub](#) of resources. Many community services have also enhanced their access in response to COVID-19.
- Access to certified safe childcare locations so parents can return to work.
 - COVID-19 has compounded the existing challenges of accessing childcare.
 - There are 996 children waitlisted via the online register.
 - Centres also have internal wait lists of families because of cohort size and staffing. These children will be accessed prior to the online registry.
 - Provincially and locally, there are staffing shortages.
 - Childcare continues to be underfunded, as parents cannot afford to send their children to high quality licensed childcare.
 - Childcare is a vital part of social infrastructure. Without childcare, workers in women-dominated sectors cannot keep operating.

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Recommendations:

- Council advocate and invest for increased access to childcare to give parents more choice and make high quality programs more affordable that supports the child and workforce.
- Administration link with the social recovery work to ensure the topic of mental health is addressed.
- Council support continued investments in high-speed rural fibre.

Art, Culture & Tourism

The Arts & Culture and Tourism sectors continue to be significantly impacted by the need to support physical distancing due to Covid-19. Continued restrictions have not allowed the sectors to rebuild, which has created financial and emotional concerns for people's livelihoods.

Through multiple discussions with the Task Force sector chair, it was agreed that the key message/learning is the need for increased collaboration and community engagement. The following items were reviewed:

- How can the value of the arts & culture and tourism sectors be shown when considered non-essential but when they contribute to a community where people want to live, grow and stay?
- This is an opportunity to re-define how CK supports these sectors and consider new practices. The Task Force report highlighted a request for system changes versus immediate COVID-19 support.
- Ensure that the Municipality and private business are not competing; the municipal role is to ensure that no one is left behind and all can access programs and services.
- Several items identified in the sector report had been previously completed or were in the works prior to COVID-19. These include:
 - The Municipal Arts & Culture and Tourism sections underwent a re-organization in 2016 so that each of these sections would be under the Community Attraction and Leisure Services Division.
 - The development of an Arts and Culture Council was delayed with COVID-19 and is planned to be reviewed in the fall.
 - Interested parties undertook a lobby for the reduction of increased 401 signage costs.
 - A Tourism Master Plan was approved by the sector in 2015.
 - A comprehensive list of all the facilities that can be rented is posted at <https://portal.chatham-kent.ca/reconnect/Facilities/FacilitiesSearchWizard.asp>

As a result of the discussions, administration has committed to the following items:

- Broader sector tourism consultation including questions such as:
 - In light of COVID-19, should the Tourism Master Plan be reviewed?
 - What are the sector needs?
 - How can communication be improved?
 - Should an accommodation tax be considered?
 - Should an external tourism board be considered?
- The creation of an Arts Council:
 - Work is underway to create a "CK Arts and Culture Network"
 - Its mandate, governance and functionality are presently being explored

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- One of the main functions would be implementing grant programs, plus providing input on a public art policy and various other arts and culture projects.
- The special event forms will be reviewed to reduce duplication of details. Currently, an on-line application process is not being considered, as it would leave a percentage of the community unable to apply.
- The 401 signage will continue to be noted as an advocacy item for the Provincial Government.

Professional Services

The Professional Services sector ranged from lawyers, health professionals, bankers and accountants to financial planners. The sector co-chairs shared that many groups within this sector have been able to adapt to COVID-19 but see the trend of remote working and virtual meetings that occurred because of COVID-19 will continue beyond the pandemic.

In addition to the cross-cutting themes, the following items were reviewed:

- The importance of childcare to support caregivers' ability to work.
 - This mirrors the comment from the Agriculture and Food Processing sector. A response to this was provided on page 13.
- A need to establish public and private internet access points. COVID-19 has shown that some practices such as virtual meetings or learning will continue. When schools and courts closed, some people did not access reliable equipment, a good internet connection and a confidential space. This is not possible for those living in vulnerable circumstances, with poor connectivity or no reliable access. This creates a digital divide and inequity between people.
 - While there are multiple places that people could pay for space, this is not feasible to all. The suggestion was to look at places like the library that people can easily access.
- A need to enhance and continue to recruit young professionals to the community. An example was provided that the number of lawyers in CK is significantly decreasing as more retire than enter the field.
 - As referenced in page 12, the Community Attraction and Promotion area continues to market CK to a range of external and internal audiences. Brands used to promote CK are the LivingCK and VisitCK digital (web, social media) channels, with support from the "baCK to Chatham-Kent" and "CK to the power of Y" initiatives. LivingCK promotes life in Chatham-Kent to young people and immigrants by showcasing the employment (including entrepreneurship) and lifestyle opportunities available. Talent Attraction and Retention work continues in collaboration with many partners. The Ontario Immigrant Nominee Program Pilot has successfully commenced in CK and a number of applications across a diverse range of sectors have been made, thus supporting local employers in finding more permanent solutions to their workforce needs.
 - The CK Workforce Planning Board is embarking on a study of COVID-19 business and workforce impacts. Data is expected to be available in November 2020. It is also expected that CK-specific unemployment data will be available in November as EI claims (used to estimate CK unemployment) data is more normalized.

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Recommendations:

- Support access to childcare as recommended in Agriculture and Food Processing section above.
- Administration look for options on where the public can access reliable equipment, a good internet connection and a confidential space.

Manufacturing and Logistics

In discussion with the sector co-chair and reviewing the current state, the key message shared is that businesses are in survival mode. Each day they are looking for ways to reduce cost and increase revenue. The key recommendation and question arising was, 'What is the Municipality doing to cut costs, keep taxes low and do so with urgency?'

While the Task Force report had multiple recommendations the following highlights the greatest items that should be reviewed and connect to the cross-cutting themes reviewed on pages 2-4.

- Create a cross industry sponsored review of municipal services to cut costing in order to lower taxes.
- Provision of high-speed internet community wide.
- There are many services offered by the municipality in an inefficient manner, for example:
 - Offering services in multiple ways is costly (online versus in person, multiple bridges in a small area.)
 - Offering the same service in each ward (offer in one location only.)
 - Maintaining underutilized service centres and buildings.
 - Maintaining underutilized arenas.
 - Eliminating unnecessary infrastructure (bridges, roads).
 - Eliminating services that compete with the private industry.
 - Focus on core business.
- Cost cutting actions will lead to a reduction in taxes that will benefit all businesses.
- If the ward system is a root cause of Council's inability to take actions, it should be changed.

Additional priorities included the following along with what is occurring:

- Local infrastructure spending to include local industry buildings, land, parking, mechanical improvements.
 - The suggestion made was to establish a municipal fund to support local businesses with their infrastructure needs. This is currently not being considered but finance is working on how to lower the tax rate for business and industry.
- Buy local preference on local contractors using benchmarking feedback.
 - CK follows a procurement process in accordance with legislated requirements. Local manufacturing companies do try to use local businesses, when possible, but having a benchmark of what projects should cost would assist all CK procurement.
- Create a central website to support safe, local-best practice resources related to services and product needs on a provincial level, job placement, and mental health services.
 - The following has been completed and is ongoing related to each topic.
 - Safety

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- Economic Development created [a new section on their website](#) that provides COVID-19 information designed to help a variety of sectors.
- CK Public Health launched [a new section on their website](#) that provides COVID-19 resources.
- Promotion of the following have occurred:
 - Ontario: [Sector-specific guidelines](#).
 - Provincial: [Workplace Safety and Prevention Services](#) and industry-specific websites.
- Promotion of products and services at a provincial level is ongoing:
 - [Directory of personal protective equipment](#).
 - [Rapid Response Platform Directory](#).
- Jobs
 - Economic Development is reviewing a central job placement web-based platform. By pulling from many existing popular job boards, this would display jobs in CK on a regional map to better assist those looking for opportunities across the community.
- Mental Health
 - CK Public Health created the [Mental Health COVID-19 hub](#) of resources and was promoted by all departments. Additional local and provincial resources are also offered.

Conclusion

COVID-19 has had unimaginable impacts on how people in Chatham-Kent live, learn, work, play and age. Administration is appreciative of the supports provided by the community in understanding how COVID-19 has affected CK residents from a socio-economic and health perspective.

This report highlights the economic impact of COVID-19 on CK businesses, organizations and individuals along with how administration is working together to support recovery and plans to continue. Learning from COVID-19 and how to respond is also important. To support this, the CK Workforce Planning Board is involved in the project, “Ontario Labour Market Partnership: Post-Pandemic Scenario-Based”. By the end of March 2021, local scenario-based labour market action plans will be created and a blueprint on applying this to workforce planning will be available.

It is also important to consider how the Human and Social Impact report received by Council on September 21, 2020 builds on this work. These two reports highlight the disparity of opportunities, resources and access to services for businesses, individuals and families to respond and adapt to the changing circumstances due to COVID-19 for both businesses and families, this could translate into a digital divide. For certain sectors or businesses, this could be a battle between being essential, versus being non-essential and experienced continued and/or increased demand during shutdown. As the situation continues to change, we need to ensure that businesses, individuals and families who have fewer opportunities to thrive are provided with the necessary supports and services.

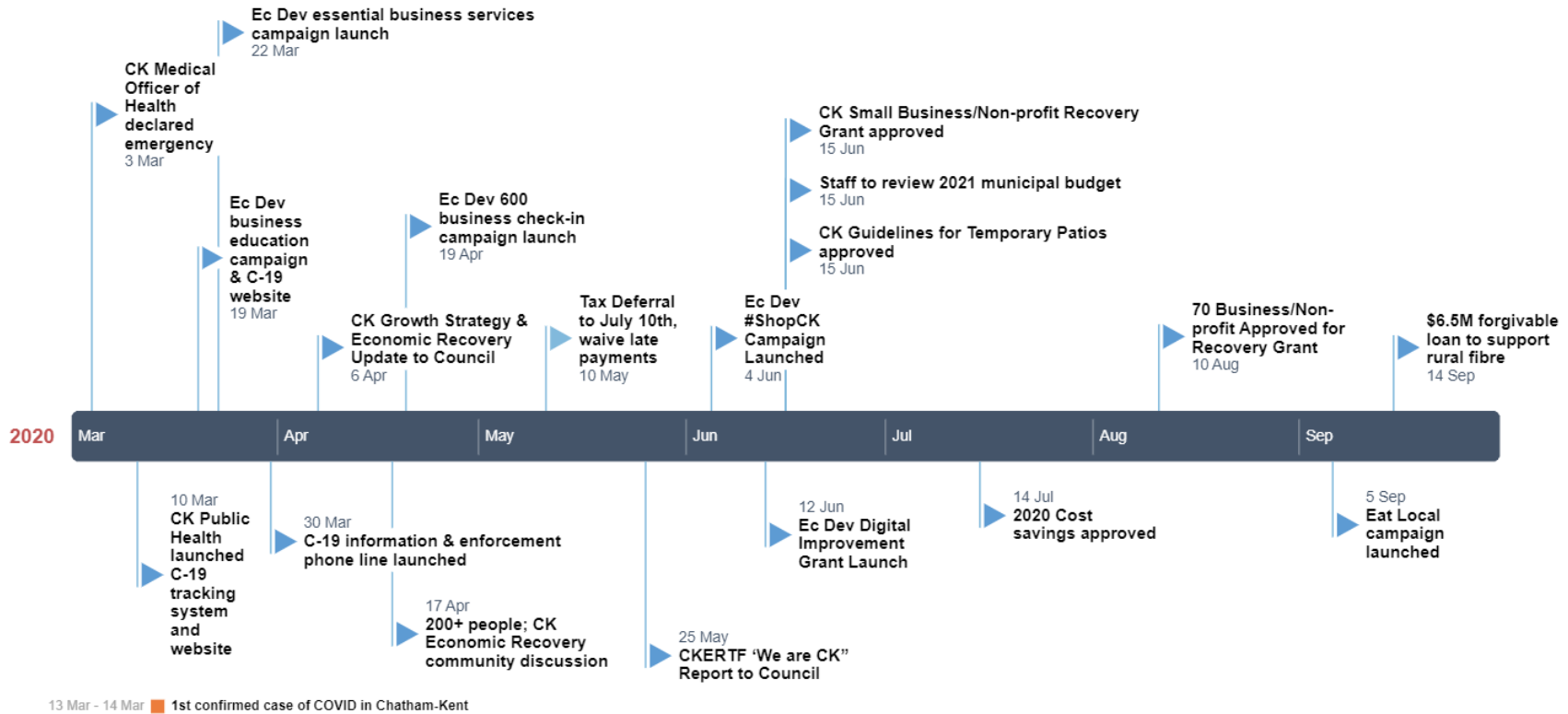
Administration looks forward to continuing to work with the Business Advisory group and others to identify opportunities the Municipality can use to support recovery. As illustrated by a common phrase used during this time – **“We are in This Together”**. – The Municipality will ensure that we work together to identify issues and look for solutions. We are grateful for the

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time and effort the Task Force has given and for their strength in giving a voice and story to those impacted by COVID-19 in CK.

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Appendix A



Chatham-Kent Economic Recovery Timeline



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Appendix B

Chatham-Kent Housing Context

Adequate housing is essential to one’s sense of dignity, safety, inclusion and ability to contribute to the fabric of our neighbourhoods and societies.¹ Housing generates economic activity for the Municipality in the form of tax revenue and provides local business support and employment for construction workers and tradespeople. The words “housing” and “home” will ignite various thoughts. For some it is the dream of buying their first home or the dream home, for others it can be about renting, yet for some it is the stress of being able to pay rent, or not having a permanent home. The image below is used by the Canada Mortgage and Housing Corporation (CMHC) Housing to show the continuum of housing. What follows is a glimpse of Municipal activities related to housing.

THE HOUSING CONTINUUM



What Does Affordable Mean?

The term “affordable” may indicate different things to different people. CMHC defines affordable housing: “...if it costs less than 30% of a household’s before-tax income”.

Many people think the term “affordable housing” refers only to rental housing that is subsidized. In reality, affordability is a requirement for housing to be sustainable on every level of the Housing Continuum.

¹ <http://www.ohrc.on.ca/en/right-home-report-consultation-human-rights-and-rental-housing-ontario/housing-human-right#fn3>

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Developers in Chatham-Kent have used the term 'affordable' to compare home prices in Chatham-Kent to those in the Greater Toronto Area. "Affordability" has been used to encourage people to move up the Housing Continuum by buying a larger home, thus opening up options for first time buyers.

Affordable Housing Programs administrated by the Municipality of Chatham-Kent assist households find and maintain housing that is suitable for their needs and affordable. Ontario's [Long-Term Affordable Housing Strategy](#) acts as a guide. [Land Use Planning for Housing](#)

Chatham-Kent's [Official Plan](#) (OP) is the planning policy structure that guides land use decisions in the Municipality. The OP supports growth *management*, by clearly defining growth in terms of anticipated population and housing units, and identifying areas suitable for growth while protecting prime agricultural lands from urban development

Findings from the 2019 [Municipal Comprehensive Review](#), highlights that Chatham-Kent has room to expand all forms of housing as per the graph.

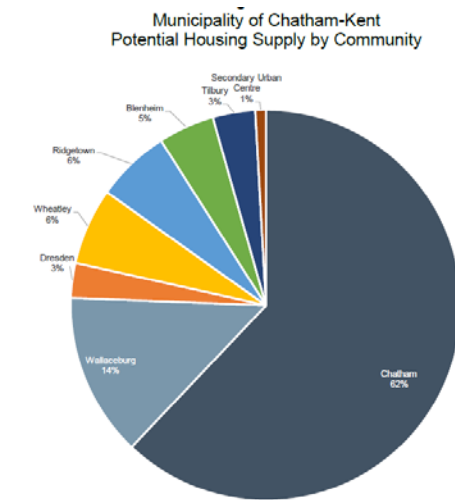
To define the Municipality's expectations and requirements for new developments, [Development Standards](#) are in place to ensure consistency throughout the Municipality.

The Planning Services Division and Building Development Services Division support development and construction in CK.

Homeless, Emergency Shelter, Transitional Housing

Homelessness is real in Chatham-Kent. To support those in need the following Municipal activities are occurring:

- Chatham-Kent [Housing and Homelessness Plan and Framework](#) has been developed that includes targets,
 - that no resident is without permanent housing longer than 30 days
 - CK has 25% affordable housing (including 2% supportive) and 5% accessible



Note: Includes Primary and Secondary Urban Centres.

Source: Derived from Chatham-Kent data by Watson & Associates Economists Ltd., 2019.

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- In July of this year, Council tasked Employment and Social Services to review a variety of shelter building options for the longer-term provision of emergency housing services.
- The Municipality is currently supporting temporary shelter and providing supportive services around people. Details on the current services can be read via the report to Council on the [Shelter Services Location Change](#)
- At any time a person who is homeless or in precarious housing can contact the CK Homeless Response Line at 519.354.6628

Community Housing

Chatham-Kent is Service Manager to 13 Private Non-Profit Housing Providers who provide 762 units in communities all over Chatham-Kent. Program Administration is provided for the following Non-Profit and Co-operative Community Housing Providers:

- Chatham Evangel Villa
- Chatham Hope Non-Profit Housing Incorporated
- Christian Senior Citizens Home of Chatham
- Clairvue Housing Co-operative Incorporated
- Columbus Estates of Chatham Incorporated
- Corporal Harry Miner Legion Villa
- Labourview Co-operative Homes Incorporated
- New Beginnings Housing Project
- Park St. United Church Non Profit Housing Corporation (Wedgewood)
- Ridge Marsh Manor Incorporated
- Ridgetown Community Estates Incorporated
- Riverway Non Profit Housing Corporation
- Wallaceburg Kinsmen Court

CK is also landlord for 56 community housing buildings equalling 710 units, provides 115 rent supplement units through local landlords and 103 portable housing benefits

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Affordable Rental Housing

To support affordable rental housing the Municipality Housing services provides:

- [Affordable Rent](#): Rents in these units are not Rent-Geared-To-Income. Instead, the rents are at approximately 80% of the average market rent determined by Canada Mortgage and Housing Corporation (CMHC).
- [Rent-Geared-To-Income](#) (RGI): provides individuals and families with low to moderate income, the chance to rent a housing unit at a lower cost. You may pay about 30% of your gross monthly income on rent.
- [CK Portable Housing Benefit](#) (CKPHB): The CKPHB provides a subsidy directly to households to make market rent affordable. Tenants live in private buildings and may move their benefit anywhere within Chatham-Kent.
- [Rent Supplement](#): A RGI subsidy paid directly to landlords in private non-profit, co-operative, and privately owned buildings to bridge the gap between your monthly market rent and your RGI portion.

Affordable Home Ownership

As Average Resale Prices climb in Chatham-Kent, it has become more difficult for low-income households to become homeowners. Young adults, who have little equity for the required 5% down payment find it particularly difficult to enter into home ownership and are often caught in the rental economy. To assist residents to become homeowners Chatham-Kent has undertaken the following.

[Home Ownership Program](#) In 2020, this program provides individuals and families with a forgivable loan for the down payment for a home. If you qualify, you can receive 10% of the purchase price of a home, up to a maximum of \$10,000 for homes priced at \$223,567 or less. Funding is in the form of a 20-year interest-free loan registered on title. After 20 years, if the participant is still eligible, principal and interest are forgiven.

Council [provided a grant](#) to The Opportunity Villages Community Land Trust that is developing a life-lease community, in Chatham called the Brickworks. The price for units is 10% below current market value in the area. Details can be read at their website: [Opportunities Villages Community Land Trust](#).

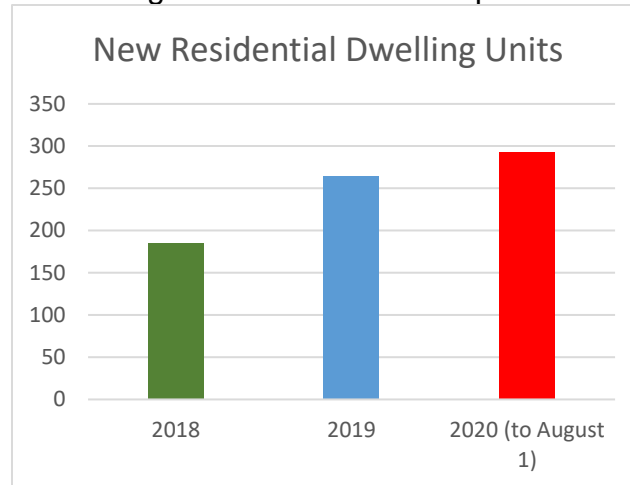
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Market Rental Housing

There is a need for additional rental housing in Chatham-Kent. The overall number of rental units available has been in decline since 2016. The Municipal role in rental housing is to fuel growth as the market drives development. To encourage rental housing a Community Improvement Program was approved by Council (further details below).

Market Home Ownership

- The Chatham-Kent Association of REALTORS® residential sales activity recorded through the MLS® System numbered 160 units in August 2020. This was an increase of 24% from August 2019. This was also a new sales record for the month of August and was the highest level for any month in history.
- CK is having a record year for issuance of building permits. Through the first seven months of 2020, permits have been issued for 293 new residential dwelling units. For context, between 2009 and 2016, CK had an average of 115 units per year across CK and started to see a gradual increase in 2017 as per the graph below.
- The Planning Services division has seen a significant increase in inquiries from out of town investors.



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Support for Home Owners

Ontario Renovates helps low to moderate-income families to repair homes while improving energy-efficiency or accessibility. The 10-year loans may be for up to \$25,000 with the possibility of \$5000 grant for accessibility improvements.

[CK Renovates](#) program helps low to moderate income families for a loan through Employment & Social Services for up to \$12,500 (not registered on title) and the Housing Services Department for loans over \$12,500,00 (registered on title).

Incentives to Build in Chatham-Kent

In March of 2002, Council approved the new [CK Community Improvement Plan](#) (CIP), which also focuses on financial incentives to support housing in the Municipality. The Municipality is experiencing a shortage of affordable housing, but also a general shortage of a variety of housing options, in particular rental housing, where the vacancy rate has been under 3% for the past few years. The CIP is intended to complement the various initiatives and legislative changes introduced to date by the Province through the Housing Supply Action Plan. Specifically, the CIP offers financial incentives for Major Rental Housing Developments (greater than 50 units) and Affordable Housing Developments as defined.

In support of Council's Growth and Strategy session on September 28, 2020, the following background is being provided for context for discussion.

Supporting Resources

- [CK Plan 2035](#)
- Council [Term of Priorities](#)
- [The Municipal Comprehensive Review](#)
- [CK Growth Strategy](#)
- [Community Improvement Program](#)
- CK Economic Recovery Task Force [We are CK Report](#)
- Report to Council: [2021 Budget Opportunities for 0%](#)
- CK Public Health Report to Council: [Human and Social Impacts of COVID-19](#)
- CK COVID Economic Recovery Municipal Response Report (emailed to Council)

Municipal Economic Recovery Enablers During COVID

- Economic Development Services upscaled services through:
 - Launching COVID-19 resource website on www.investck.ca
 - Connected with 200+ critical businesses regarding opening/closures, curbside pickup regulations, potential funding available, PPE supplies and equipment, etc.
 - Communicated with an additional 600+ businesses regarding their challenges and available supports during the pandemic
 - Supported e-commerce through various Digital Main Street Programs, including reallocation of base dollars of \$60,000 for additional businesses to be supported
 - #ShopCK campaign created and implemented
- Continued to accept and process planning applications, Community Improvement Plan applications and building permits throughout COVID. This led to a quicker recovery with more development being "shovel ready" after building permit COVID restrictions were lifted. Many municipalities did not do this.
- Tax deferral and late fees waived
- Amended Outdoor Patios By-Law
- \$200,000 Chatham-Kent Small Business Recovery Grant Fund Program completed

Growth Strategy Update

In February 2020, Council approved the following targets for growth: population increase by 1%, jobs increase by .5% and new tax assessment by 1.5%. While it is too early to have concrete data to report on each of these targets, the following data and stories highlights current trends.

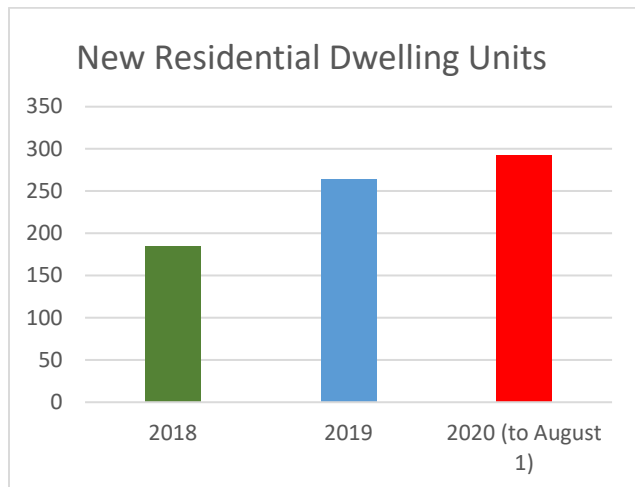
Population

- U-Haul's top growth cities ranks [Chatham-Kent #10](#)
- 2019 population projections released early 2020 stated:
 - 106,091 total population which equals to a 1.23% increase from 2016 census undercount population of 104,800

- Immigrants: 145 p.a. (vs. 132 average p.a. increase in 2011-2016 census period)
- Number of temporary foreign workers living in CK annually
 - 1,061 seasonal workers in CK as of August 14, 2020 – (compared to 2019 from Jan–Nov 1,297 arrived, and 2018 Jan–Nov 1240 arrived)
- From July 8, 2020 to end August 2020, the Community Attraction & Promotion has received over 500 inquiries to the Ontario Immigration Nominee Program pilot from people looking to move to CK with a range of skillsets – most are located overseas. The number of CK-based employer inquiries in also increasing, and 26 applications have been made to the province.

Housing

- The Chatham-Kent Association of REALTORS® residential sales activity recorded through the MLS® System numbered 160 units in August 2020. This was an increase of 24% from August 2019. This was also a new sales record for the month of August and was the highest level for any month in history.
- CK is having a record year for issuance of building permits. Through the first seven months of 2020, permits have been issued for 293 new residential dwelling units. For context, between 2009 and 2016, CK had an average of 115 units per year across CK and started to see a gradual increase in 2017 as per the graph below.



- The Planning Services division has seen a significant increase in inquiries from out of town investors. Stories like the following are occurring more and more.
 - A Toronto area developer started in CK with a couple of smaller commercial developments. The developer is now looking at a number of larger residential developments. Feedback was that they appreciate how responsive CK is and how clear we are on our expectations in comparison to waiting months in other communities.
- COVID has shown that CK is a destination for those looking to live in a lower density community and could provide the potential for more live/work type units in the future.

Jobs – Employment

- COVID has had profound impact on employment.
- The monthly employment data from the CK Workforce Planning Board highlights:
 - Windsor-Sarnia unemployment rate, which includes CK, is 13.2 in comparison to July 2020 of 11.7.

- August 2020 saw 269,400 individuals from Windsor-Sarnia region, which includes CK, reporting an attachment to the local labour force – an increase of 8,200 individuals from July; yet a decrease of 30,200 individuals compared to last year.
- While some businesses close others have opened their doors like [Kids Connection Daycare](#)
- CK^y Survey (of young people aged 15-39) – as of September 2020 has over 850 responses preliminary shows
 - 55% think there are work related opportunities for them in CK and a close split either said no (25%) or unsure (20%)
 - 28% are interested in telecommuting while living in CK and 10% said they would look to live elsewhere if they could telecommute. 40% said they do not want to telecommute and 23% said unsure.

New Growth Tax Assessment

It is too early to know the 2020 assessment increase. Finance is estimating overall to still be at the 0.7% assessment increase, which is significant when COVID is considered and that some new development will qualify for the Community Improvement Program’s Tax Increment Grant Program.

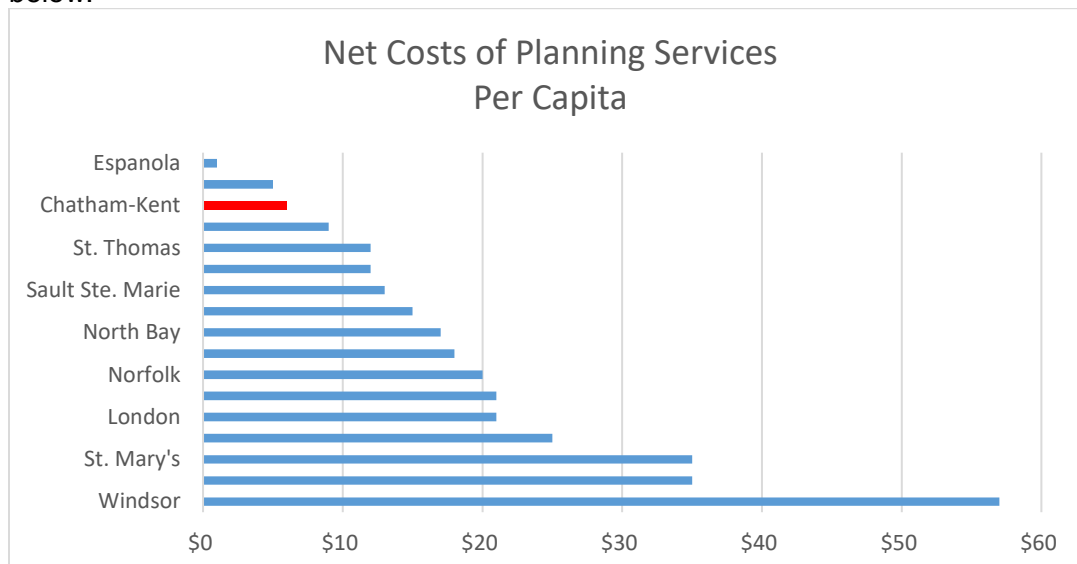
Looking Forward

Planning for Growth

While the market will drive growth, there are multiple levers that the Municipality has to help support and help fuel growth.

These include:

- Ensuring internal development review service functions can continue to meet market demand. Currently, CK’s spending on its planning function is one of the lowest in Ontario, as per graph below.



- Having lands shovel ready for when developers plan to build.
- Streamline requirements to support business friendly practices.

- Providing incentives through the Community Improvement Program for targeted developments (high-density residential, affordable housing, industrial and commercial) for industries wanting to build in CK.
- Review existing designated growth-areas within various urban centres for level of “shovel-readiness” and identify infrastructure constraints to development. Specifically, undertake area-specific “Infrastructure Servicing Reviews” to look at:
 - Infrastructure, including water/wastewater, roads and transportation, rural high-speed internet, etc.:
 - Prioritizing growth-related core infrastructure investments in strategic locations and identification of projected capital costs (some of this work has recently been completed i.e. Transportation MP)
- Start next phase of the Official Plan update to review potential growth options beyond designated growth areas along with magnitude and timing of future capital investments in infrastructure.

Financing Growth

There are four primary ways to pay for growth. Currently growth is primarily financed across the tax base, excluding some Development Charges through the Public Utilities Commission. These ways include:

- Development Charges – see Briefing Note
- Borrowing i.e. Debentures – See Briefing Note
 - Service level changes – see Briefing Note
- Senior level government funding. While this would be the preferred method, several examples, like the recent request for the arena, show that this is not always guaranteed.

Lastly, there is a great opportunity to support climate change within growth and development planning such as;

- Continuing with the Climate Change Action Planning process. To look at if there are lessons learned from COVID that further emphasize the need to address climate-change impacts and biodiversity in CK?
- Future “Build Back Better” opportunities to leverage senior level funding for aging and new infrastructure that demonstrates a climate change benefit.

Questions to Ponder

- What are the implications to CK’s economy if recovery is within this year or continues throughout 2021?
- CK will not be able to keep up the current pace of development without investment in infrastructure. How important and urgent is it to invest in infrastructure?
- What is your preference to finance growth?
 - Development Charges (will not fund all)
 - Borrowing
 - Service Changes; reduction in base budget that can then be reallocated
 - What are you willing to change?
 - Senior level government funding

Key Research on Economic Impact of COVID

- [COVID-19 Implications for Canada and the economic impact](#) – Conference Board of Canada
- [Small Business, Big Impact](#): How SME are Pivoting During COVID-19 – Ontario Chamber of Commerce

- [Investigating the Impact of COVID-19 on Independent Business](#) – Canadian Federation of Independent Business
- [The COVID-19 Effect on Food Services Industry](#) – Restaurants Canada
- Impact of COVID-19 to SMEs in [Hospitality Industry](#) – Ontario Restaurant Hotel & Motel Association
- Performing Arts Sector – [LINK](#)
- [Travel Impact Survey for Southwestern Ontario](#) – Southwestern Ontario Tourism Corporation (SWOTC)
- [Impact Surveys and Advocacy](#) - Tourism Industry Association of Ontario (TIAO)
- [COVID-19 Return to Festivals and Events Guidelines](#) - Festivals & Events Ontario (FEO)
- [Impact of COVID-19 on Economy and Tourism Outlook](#) – Destination Ontario
- [Impact and Recovery: Domestic Travel](#) – Destination Canada
- [Tourism Recovery Measures to Support Canada's Visitor Economy](#) – Tourism Industry Association of Canada (TIAC)
- [C-19 Recovery Sentiment and Behaviour Survey, May 2020](#) – Ministry of Heritage, Sport, Tourism and Culture Industries
- [COVID-19 and the Agriculture and Food Sector](#) – Canadian Journal of Agriculture Economics

Council Strategy Session – Briefing Note

September 28, 2020

Planning for Growth (Issuing Debentures)

Recommendation:

Council aggressively address the growth plan financial constraints by authorizing the issuance of up to \$75 million in 20-year debentures over the next 5 years by the PUC and the Municipality to accelerate advance infrastructure needs to facilitate imminent developments.

Background:

The issuance of debentures for new infrastructure is an established practice for Canadian municipalities to build new infrastructure assets with long asset lives as part of long-term financial planning. A debenturing plan ensures equitable and cost effective decisions regarding timing and delivery of desired infrastructure investments and is sustainable to the existing taxpayers.

Municipalities are asset rich and income poor. Chatham-Kent has over \$1 billion of capital assets but only collects 9% of Canadian taxation with the majority of that going to operational expenses. Municipalities ideally should have lifecycle budgets in place to fund the replacement of existing assets at the end of their useful lives. New assets, especially those that attract future growth and expansion of the tax base, often require long term financing to spread the cost of the new asset over a generation.

Comment:

The growth plan has identified an immediate need for major investments in underground and arterial road assets, particularly in the northwest and southwest areas of Chatham, and in additional specific areas across Chatham-Kent. Early un-engineered estimates put the cost of the needed infrastructure investments at up to \$75 million over the next 5 years.

It is highly recommended that Chatham-Kent adopt Development Charges to have a portion of “Growth Pay for Growth”. While the debentures may be large, Administration is recommending a Development Charge Study be approved at the October 19th Council meeting. That study would make recommendations on what funds could be made available to assist in paying the annual debenture principal and interest payments to reduce the tax impact to the general tax base.

Chatham-Kent can obtain the lowest available interest rate by borrowing from Infrastructure Ontario, a Crown agency that was created to modernize and maximize the value of public sector infrastructure. Rates are at historic lows and are now expected to stay low for the next few years after the Covid-19 pandemic. Today, rates for 20 year loans are approximately 2.5%. This makes it an opportune time to heavily invest in new infrastructure that will facilitate high levels of growth over the next 5 – 10 years.

Below is an example of the annual principal and interest (P & I) cost of a loan at a 2.5% interest rate.

Comment:

Loan Amount	P & I Annual Payment	P & I as a % of Taxes
\$ 10,000,000	\$641,000.00	0.39%
\$ 20,000,000	\$1,283,000.00	0.78%
\$ 30,000,000	\$1,924,000.00	1.17%
\$ 40,000,000	\$2,566,000.00	1.56%
\$ 50,000,000	\$3,207,000.00	1.94%
\$ 60,000,000	\$3,849,000.00	2.33%
\$ 70,000,000	\$4,490,000.00	2.72%
\$ 80,000,000	\$5,132,000.00	3.11%

As demonstrated in the chart, the annual P & I payments are quite affordable if it would assist in creating the assessment goal of having at least 1.5% new assessment growth annually. With the addition of Development Charges paying for a large portion of the P & I payments, there is a business case to proceed now and have little impact on current taxpayers. Additional residents also make more use of community facilities and assist in keeping them financially viable.

Chatham-Kent debt has been reduced from a high of \$162 M in 2010 to a 2020 year end projection of \$57 M with only \$10M of that to be funded from future taxes, the rest funded by PUC rates or other sources. The PUC has indicated it will need debt issued for plant related capital projects over the next 5 years. Overall, it is projected that with the addition of Growth plan debt and potential Arena debt, that total debt outstanding would rise to a manageable level approaching \$100 - \$125 million outstanding by 2025.

It is important to look at the debt to reserve ratio when considering the issuance of new debt. Ideally, municipalities are encouraged to keep this ratio under 1. In 2010 the ratio had risen to over 2. However, Chatham-Kent's financial position has been greatly improved since then and today we have a ratio of approximately 0.3. The issuance of approximately \$100 to \$125 million of debt for all purposes over the next 5 years will keep the debt to reserve ratio at a healthy range of well under 1.

Administration will be recommending that debt be a key tool in the immediate growth plan with the addition of Development Charges to implement Growth Paying for Growth principals.

Authored by Gord Quinton, CFO, September 2020

Council Strategy Session – Briefing Note

September 28, 2020

Growth and the Budget: A Balancing Act

Recommendation:

Council provide direction to administration with respect to its appetite to reduce services/programs as an offset to fund the Growth Strategy and lower the Budget.

Background:

The 2019 the Municipal Comprehensive Review Phase 1 Report highlighted that while Chatham-Kent's population and employment base has been experiencing a modest increase, the annual population growth projection from 2019 to 2049 is predicted to only be 0.1%. To keep current level of services to the community the options include raising taxes, cutting or changing services or growing CK to increase the overall tax base.

Earlier in 2020 Council endorsed a Growth Strategy that if achieved would position CK as a desirable community within which to invest. Discussions took place about developing several initiatives to facilitate this growth. These initiatives included things like amending the Community Improvement Program, development charges and debentures for the incentivizing and funding of the Growth Strategy. Target were adopted for growth that included 1% in population, .5% increase in jobs and 1.5% new growth tax assessment.

Comment:

Since the adoption of the Growth Strategy, the community of CK was faced with the impacts of the COVID-19 pandemic. In addition to the personal and health impacts to the community the community and the Municipality are facing financial impacts for losses of revenue and unanticipated costs associated with COVID. Notwithstanding the fact that the Province promises to provide some measure of funding to offset some of the Municipal costs these will only support the 2020 budget. Through the CK Economic Recovery Task Force report a request was made to Council and administration to keep taxes low and look at what services are needed. On August 10, 2020 Council directed administration to a further analysis of items to achieve a 2021 Budget target of 0%.

As such, finding the balance point between allocating resources to the Growth Strategy versus measures that will need to be taken to achieve a reasonable budget increase are in competition with one another.

Ideally, Council would authorize the infrastructure required to stay ahead of growth demands, estimated costing approximately \$60 million over the next 3 to 5 years. This will require a 20 year debenture with a debt servicing cost of approximately \$4M or less than a 3% tax increase.

If Council approved Development Charges, Growth can pay for a large portion of the cost of Growth, leaving only a small portion to be funded by current taxpayers.

With increased growth will come increased assessment growth, picking up another chunk of the growth cost making the ROI attractive. However, in the short term there would be a slight impact to current tax levels.

Comment:

During Council's September 28, 2020 Strategy session there will be a Balancing Act exercise to stimulate a conversation with Council around determining their order of priority between the two (funding Growth vs keeping the Budget low). In addition, it is intended to generate sufficient discussion to ultimately provide administration with clear and crisp guidance surrounding Council's appetite to consider the reduction of municipal services as part of the solution to getting to a reasonable budget and fuel growth in Chatham-Kent. This clarity will assist administration in focusing their time on evolving recommendations that are within the envelope of Council's appetite.

To prepare for the session Council is encouraged to consider the following questions.

- The funding for COVID of \$5.8M is for the 2020 budget. Dollars to support continue COVID supports are not guaranteed for 2021. How does this impact the opening of services with increasing public health measures being put in place?
- To keep the 2020 service level consistent a 3% tax rate increase would be needed.
- Is growth and zero percent budget at odds with each other?
- Where is the balance between growth and taxes (based budget) and what does that look like?
- Investment in growth such as borrow/debentures to expedite development will result in increase in tax assessment. Knowing the main limitation to growth is 'shovel ready land' and that it take almost two years to have lands ready, what should Council's urgency be to invest?
- Are you willing to have a reduction, consolidation, changes to infrastructure and services in order to reduce taxes and/or fund growth?
- Is there any infrastructure, programs/services that administration should absolutely not consider changing?

Council Strategy Session – Briefing Note

September 28, 2020

Financing Growth – Development Charges

Recommendation:

Council participate in the Development Charge study and engage stakeholders in their wards.

Background:

On February 10, 2020, Council approved the Chatham-Kent Growth Strategy including metrics to measure growth of population, jobs, tax assessment along with a recommendation for administration to investigate strategies that would support including Development Charges.

Currently, only the Chatham-Kent Public Utilities collect development charges for water and wastewater infrastructure, which means that any types of infrastructure i.e. roads as one example that is needed to support growth in CK comes from the tax base and impacts all rate payers. Development Charges (DC) and Community Benefit Charges (CBC) are a means that municipalities can collect revenue to finance growth related infrastructure and ensure that “growth pays for a portion of growth”.

The Association of Municipalities of Ontario state that, “Development charges are a major source of revenue for cost recovery that funds the infrastructure needed for Ontario’s growing communities. In 2017, 197 municipal governments collected about \$2.3 billion in development charge revenue”. Effective September 18, 2020 the Province of Ontario proclaimed the final amendments to the Development Charge Act (DCA) and introduced a Community Benefit Charge (CBC) under the Planning Act.

Comment:

Development in CK is at it's all time highest, yet the cost to develop services is spread across the tax base versus developers or rate payers.

It is highly recommended that Chatham-Kent consider introducing some additional Development Charges to have a portion of "Growth Pay for Growth" in order to help expedite needed infrastructure spending. Administration is recommending that the Municipality move forward with a Development Charge Background Study.

Prior to development charges being implemented the Municipality must complete a D.C. background study comprising a forecast of anticipated development, determining eligible services, estimating increased needs for each service, measuring 10-year historical level of service, developing an asset management plan for projects, included in the study and rules for imposing the calculated charges. As part of the study the following items must occur.

Review the Municipality's current policies regarding recovery of capital expenditures from new development and recommend an appropriate development charge strategy;

Review policies with staff, addressing issues such as exemptions, discounting and credits, phase-in strategies and indexing options, as well as credits for various classes of development including but not limited to: residential, institutional, commercial, and industrial developments;

Undertake the statutory public process requirements, including the need to hold at least one public meeting under the provisions of the legislation; and

Ensure that financing is in place to pay for the services required to accommodate future development in the Municipality.

The final determination if the Corporation will enact further Development Charges, beyond water and wastewater, is Council's decision. Administration anticipates that the commencement of the study could begin by the end of October and be completed in approximately seven months. A report to Council is scheduled for the October 19, 2020 Council Meeting.

Authored by Bruce McAlister, Acting GM of Community Development September 2020