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**Date** January 6, 2021 **Report No.** 2021-68

**To** Chair and Members  
Social Services Committee

**From** Aaron Wallace, Acting General Manager  
Community Services and Social Development

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## 1.0 Type of Report

Consent Item [ ]  
Item For Consideration [ X ]

## 2.0 Topic Funding Opportunities for Community Housing Capital Repairs and Replacements [Financial Impact – none]

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## 3.0 Recommendation

- A. THAT the report on Funding Opportunities for Community Housing Capital Repairs and Replacements BE RECEIVED; and
- B. THAT Ontario Priorities Housing Initiative (OPHI) Ontario Renovates funding BE USED for accessory dwellings, as permitted under the Ontario Renovates program guidelines; and
- C. THAT the Director, Housing and Homelessness BE AUTHORIZED to develop Ontario Renovates accessory dwelling program guidelines and processes.

## 4.0 Executive Summary

Community housing providers are key housing stakeholders in our housing continuum, providing a significant number of rent-geared-to-income and low market housing units across the City of Brantford and County of Brant for

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individuals, seniors and families. Keeping their buildings in good physical shape is one of the ways they contribute to their tenants' health, safety and wellbeing. However, this becomes a challenge as these assets age and need significant repairs and/or replacements. This report outlines a number of funding opportunities that can help community housing providers continue to provide good, decent and safe housing. It also introduces an opportunity to help create accessory dwellings through the Ontario Priorities Housing Initiative (OPHI) Ontario Renovates funding stream. The outcome is a stronger and more sustainable community housing system, and an additional housing option to add to the housing continuum, as encouraged by the Mayors' Housing Partnerships Task Force.

## 5.0 Purpose and Overview

Community housing stock is aging and in need of ongoing capital repairs and replacements in order to continue to provide safe, high-quality housing. Maintaining a good state of repair is crucial to sustaining community housing assets, and inadequate capital repair funding is a concern shared by both housing providers and Service Managers responsible for housing and homelessness. This report outlines funding opportunities that Community housing providers can access to assist with these significant current and future costs, and provides an opportunity to expand housing options with grants for accessory dwellings.

## 6.0 Background

City of Brantford is the Service Manager for housing and homelessness responsibilities, since the Provincial government downloaded this role to municipalities in the early 2000s. One of those responsibilities has been to ensure community housing providers under the *Housing Services Act, 2011* (HSA) continue to receive operating and rent subsidies, including costs for repairs and contributions to their own capital reserve fund. However, the transfer of this community housing stock did not include adequate financial reserves to address both current and future capital needs. As buildings continue to age, capital repair needs continue to grow.

Community housing is an essential part of the housing and homelessness systems, and it is critical to have a sustainable model that funds both operational and capital repair needs so residents have access to safe, high-quality housing.

This report outlines current and potential future funding opportunities for housing providers, for current and future capital repair and replacements. The report

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also includes a recommendation to expand the Ontario Renovates program to include financial support for accessory dwelling units.

## **5.0 Corporate Policy Context**

Council Priorities 2021-2022: All Neighbourhoods in the City are safe, vibrant, attractive and inclusive.

## **6.0 Input From Other Sources**

Community Development (Planning Department)

Corporate Services (Financial Department).

## **7.0 Analysis**

Ideally, housing providers have sufficient funding in their capital reserves to cover capital repair and replacement costs. Housing providers conduct regular building condition assessments (BCAs) to ensure they are planning for all current and upcoming capital projects, since physical assets will deteriorate over time and need to be repaired or replaced. Contributions are made to capital reserves on an annual basis, and if they have operating surpluses, they are permitted to use these to top up their capital reserve funds. However, needed capital repairs and/or replacements can be significant and more costly than even what prudent housing providers have been able to build up in their capital reserve funds. In these situations, housing providers must search for other ways to cover these important costs.

This report outlines a number of funding opportunities that housing providers can access to assist with capital repair and replacement costs.

### Municipal Capital Reserve funds

Municipalities often have reserve funds set aside for different affordable housing purposes, including new development of affordable housing, and as a revolving capital repair loan fund for housing providers. Over the past years, the City of Brantford has provided 'no interest' loans to housing providers from the Mortgage Stability Reserve fund for these purposes.

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### Canada-Ontario Community Housing Initiative (COCHI)

This is a funding allocation that municipalities have received from senior levels of government that comes in three-year annual amounts. The current allocation covers from April 2019 to March 2022. There will be continued allocations in three-year periods for a total of nine years. Municipalities approve and submit their plan for how these funds will be used, identifying which program components will receive funding.

Brantford Council approved for the full allocation to go into the capital repair stream which will be utilized to fund capital repairs specifically within the Local Housing Corporation and Municipal Non-Profit Housing Corporation (Report #2019-472).

### Ontario Priorities Housing Initiative (OPHI)

Similar to COCHI, this is a funding allocation over the same three-year period, but with some different program guidelines. This replaces the previous Investment in Affordable Housing (IAH) funding with some additional components.

Brantford Council approved this allocation to go into new construction, Ontario Renovates, BHomeS (affordable homeownership) and support services streams. Under this current program, Ontario Renovates funding is permitted for two types of activities:

1. Home repairs to assist low to moderate income homeowner households (including accessibility modifications).
2. Multi-Unit Rehabilitation to assist landlords of eligible affordable rental buildings and community housing providers to rehabilitate units or modify units to increase accessibility. This also includes assisting low to moderate income homeowners create new affordable rental units in an existing single-family home (accessory dwellings), as well as repairing, rehabilitating and improving existing shelters.

Brantford Council approved funds for both these activities, with the funding for repairs to social housing allocated to specific projects within the LHC/MNP portfolio (Report #2019-472), again with the intent that this would offset capital budget expenses that could be re-allocated to new development.

Council also approved that the Director, Housing Services be authorized to revise or add capital repair projects for funding from COCHI or OPHI, as may be

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needed, to ensure full expenditure of the allocations. In this case, the funding could be available to other community housing providers in the current three-year funding period, and then allocated more broadly to all community housing providers in future three-year funding periods. Since the COVID-19 pandemic delayed Ontario Renovates home inspections this fiscal year and homeowners found it difficult to obtain tradespeople to do the work, approximately \$90,000 of the Ontario Renovates funding has been re-allocated to help five local Community Housing Providers complete necessary health and safety related repairs, in order to ensure full expenditure of the allocation.

Another opportunity is to allow for Ontario Renovates funding for accessory dwellings, which is a permitted activity for this funding, but was not specifically approved by Brantford Council. City of Brantford's current OR program forgivable loan maximum is \$20,000 per unit, so this component would mirror our current program guidelines. With Council approval, housing staff would develop program guidelines and processes for this program, and work with City and County staff to market this program.

#### End of Mortgage Savings

Over the next decade, mortgages of the prescribed community housing providers (under Part VII of the HSA) will be coming to an end. These housing providers have a provincially-mandated funding formula in the HSA regulations to cover operating and mortgage costs, and are funded through the municipal tax base. When mortgages are paid off, there is no need to continue providing a mortgage subsidy and this reduction in subsidy costs related to the administration of HSA related program costs is often referred to as "mortgage savings". There are potential upcoming changes to the HSA funding model as a result of the *Protecting Tenants and Strengthening Community Housing Act*, and municipalities are advocating that they should be permitted to redirect these mortgage savings to ensure publicly-funded community housing assets remain in a good state of repair, and after these needs are addressed, for any savings to be invested in new supply, programs and services in line with each Service Manager's 10-year housing and homelessness plan. This will be the subject of a future report.

#### Conventional Loans/Re-financing

Once mortgages are paid off, housing providers are able to re-finance their properties through conventional lenders to obtain loans to assist with capital repair costs.

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### CMHC Seed Preservation Funding for Community Housing

Canada Mortgage and Housing Corporation (CMHC) provides preservation grant funding to only federally-funded community housing providers for studies and costs related to their sustainability. Eligible costs include activities such as building condition reports, capital replacement reserve planning, energy audits, age-friendly conversion assessment, and operating viability analysis.

### National Housing Co-Investment Fund – Revitalization (Housing Repair and Renewal Stream)

CMHC provides long-term low-interest loans and/or forgivable loans for revitalization to develop energy efficient, accessible and socially inclusive housing for mixed-income, mixed tenure and mixed-use affordable housing. Community housing providers are eligible, as well as providers of affordable housing, urban indigenous community housing, shelters and transitional/supportive housing.

### Federation of Canadian Municipalities (FCM)

There are a number of funding options under the Federation of Canadian Municipalities (FCM) that are available to municipalities, as well as non-profits and co-operative housing providers. Some of these are grants and/or loans for activities such as project planning, studies, pilot projects and capital retrofit projects, that are tied to outcomes such as reductions in energy consumption. There are also asset management grants for municipalities.

### Other funding opportunities

There are also incentive programs through utility companies such as Hydro and Union Gas to assist with energy conservation retrofits.

From time to time, there may be other funding opportunities that become available, to assist with the costs of repairs and replacements for community housing providers. Housing staff will continue to scan for these types of opportunities and supporting the community in accessing these critical resources.

## **8.0 Financial Implications**

There are no specific financial implications associated with this report.

## **9.0 Conclusion**

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Community housing stock is at least 30 years old, with some homes and buildings at 50 years of age or more, and housing reserves are not going to be adequate as these costs escalate with age. It will be important for community housing providers to have a number of funding options available, such as are listed in this report, while at the same time, utilizing existing funding options that are available such as the Ontario Renovates program to help with capital repair and replacement costs.



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Attachments:  
None

Copy to:

NA

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required ☐ yes ☒ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk ☐ yes ☒ no

Is the necessary by-law or agreement being sent concurrently to Council? ☐ yes ☒ no