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Date November 14, 2023 **Report No.** 2023-675

To Chair and Members
Committee of the Whole - Planning and Administration

From Brian Hutchings, Chief Administrative Officer and
Acting Commissioner, Community Services & Social Development

1.0 Type of Report

Consent Item ☐
Item For Consideration ☒

2.0 Topic **National Housing Co-Investment Funding for Renovation, Repair and Renewal [Financial Impact: \$6,000,000 from National Housing Co-Investment Fund]**

3.0 Recommendation

- A. THAT Report 2023-675 National Housing Co-Investment Funding for Renovation, Repair and Renewal BE RECEIVED; and
- B. THAT the Chief Administrative Officer or Delegate BE AUTHORIZED AND DIRECTED to execute a Contribution Agreement between The Corporation of the City of Brantford and the Canada Mortgage and Housing Corporation, and any ancillary documents thereto, in a form approved by the City Solicitor; and
- C. THAT the Director of Housing and Homelessness Services BE DIRECTED to cost-share eligible capital projects and repairs as identified in Appendix A to Report 2023-675; and
- D. THAT the Director of Housing and Homelessness Services and the Manager of Purchasing BE AUTHORIZED to award and execute any contracts and amendments as required to complete the necessary capital works; and

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- E. THAT the Director of Housing and Homelessness Services BE AUTHORIZED to revise or add capital projects and repairs to Appendix A, as needed, to ensure full expenditure of the funding allocation; and
 - F. THAT the Director of Housing and Homelessness Services BE AUTHORIZED to hire and retain an external consultant to manage the projects to an upset limit of \$300,000 that will be cost-shared with CMHC; and
 - G. THAT staff PROVIDE an annual report to Social Services Committee on the status of capital projects receiving National Housing Co-Investment Fund contribution funding; and
 - H. THAT the City Clerk BE DIRECTED to forward a copy of the final resolution and staff report to the Social Services Committee, Brantford-Brant Local Housing Corporation and Brantford Municipal Non-Profit Corporation boards, and to the County of Brant.

4.0 Executive Summary

In November 2017, the federal government released the National Housing Strategy (NHS), a 10-year plan that sets out a renewed federal-provincial partnership to work together to achieve targets and outcomes, increase access to housing, reduce housing need and achieve better housing solutions across the spectrum.

The National Housing Co-Investment Fund (NHCF) provides capital for new affordable housing development and the renovation and repair of existing affordable and community housing.

Canada Mortgage and Housing Corporation (CMHC) is offering the City of Brantford, as the Service Manager for Housing and Homelessness Services in the City of Brantford and the County of Brant, National Housing Co-Investment Fund (NHCF) contribution funding for the repair, renovation, and renewal of 600 units of municipally owned housing stock over a three year period.

After analyzing the needs of the housing portfolio, staff are recommending acceptance of \$6,000,000 based on the Key Business Terms provided and are seeking Council approval to enter into applicable agreements and to reallocate funding for previously approved capital projects and reprioritize current and future capital repair projects to ensure full expenditure of the funding.

Municipal housing assets account for 38% of corporate building greenhouse gas (GHG) emissions as of 2022. In order for the City of Brantford to reach its target of net-zero emissions by 2050, existing buildings need to be retrofitted in a way

that reduces energy consumption and GHG emissions. The NHCF contribution funding will support repair/renovation projects and will help to reduce energy and GHG emissions by 25% across the 600 units proposed.

In order to ensure the City completes these projects in the requisite three year timeline, staff are recommending hiring a consultant that will be cost shared with CMHC to manage these projects.

Staff will provide an annual report to Social Services Committee on the status of all capital projects receiving National Housing Co-Investment Fund (NHCF) contribution funding.

5.0 Purpose and Overview

The purpose of this report is to seek approval from Council to enter into a Contribution Agreement (CA) with the Canada Mortgage and Housing Corporation (CMHC) for \$6,000,000 of National Housing Co-Investment Fund (NHCF) contribution funding and as a result, seek approval to reallocate funding for previously approved capital projects and reprioritize current and future capital repair projects to ensure full expenditure of the funding. Staff are also seeking approval to hire a consultant to manage these projects.

6.0 Background

In November 2017, the federal government released the National Housing Strategy (NHS), a 10-year plan that sets out a renewed federal-provincial partnership to work together to achieve targets and outcomes, increase access to housing, reduce housing need and achieve better housing solutions across the spectrum.

The NHS has programs and initiatives that can help create new housing supply and renovate and modernize existing housing supply. As part of the NHS, the National Housing Co-Investment Fund (NHCF) provides capital for new affordable housing and the renovation and repair of existing affordable and community housing.

On an annual basis, staff assesses the capital needs of municipal housing and, combined with a review of available funding sources, makes recommendations

for capital repair projects to be approved by the Council¹. The projects identified in this report were presented and approved based on the best available information at the time.

Canada Mortgage and Housing Corporation (CMHC) recognizes the on-going pressures related to rising labour and material costs. As such, CMHC is offering the City of Brantford, as the Service Manager for Housing and Homelessness Services in the City of Brantford and the County of Brant, National Housing Co-Investment Fund (NHCF) contribution funding for the repair, renovation, and renewal of municipally owned housing stock over a three year period. This funding can only be used for government owned housing but can be used for multiple types including community, affordable, transitional, supportive, and mixed-use market / affordable rental.

After analyzing the needs of the housing portfolio, staff recommend acceptance of \$6,000,000 based on the Key Business Terms provided. The funding would be applied to 600 municipal housing units.

7.0 Corporate Policy Context

[Brantford-Brant Housing Stability Plan](#)

[Brantford-Brant Municipal Housing Master Plan](#)

[City of Brantford Corporate Climate Change Action Plan](#)

City Council's 2023-2026 Strategic Theme 6 (b): invest in a long-term strategy and plan to manage the homelessness crisis, inclusive of the related issues of mental health and addiction issues and safety and security concerns.

County of Brant's 2019-2023 Strategic Priorities: "Healthy, safe, and engaged citizens".

8.0 Input From Other Sources

Canada Mortgage and Housing Corporation

City of Brantford – Business Support and Sustainability Department, Public Works Commission

¹ Capital projects for the Housing and Homelessness Services Department are jointly approved by the Councils of the County of Brant and the City of Brantford as per Article 4 of the Shared Services Agreement where applicable.

City of Brantford – Finance Department

City of Brantford – Legal Department

9.0 Analysis

Canada Mortgage and Housing Corporation (CMHC) is offering the City of Brantford, as the Service Manager for Housing and Homelessness Services in the City of Brantford and the County of Brant, National Housing Co-Investment Fund (NHCF) contribution funding for repair and renewal of municipally owned housing stock over a three year period.

After analyzing the needs of the housing portfolio, staff recommend acceptance of \$6,000,000 based on the Key Business Terms provided. The funding would be applied to 600 municipal housing units.

9.1 Summary of Key Business Terms

The funding offer is for \$6,000,000 NHCF contribution funding for the repair of a minimum of 600 units, to be completed within three (3) years of execution of the agreement (“Repair Period”). Contribution funding is to be used in respect of repairing government owned affordable housing stock.

For municipal governments, no more than 30% of total repair costs (or \$10,000/unit, whichever is less) can be funded by NHCF. The City, as the Service Manager, is responsible for allocating eligible funding for the difference between total repair costs and the NHCF funding provided.

Additional key business terms include the following:

- The City has forty-five (45) days from the receipt of an agreement from CMHC to return the executed agreement;
- Eligible property types include community/affordable rentals, transitional and supportive housing, and mixed-used market/affordable rentals;
- Funding provided cannot be stacked with previous or future federal funding for housing units including but not limited to previous NHCF

funding and Bilateral Agreement funding, through a bilateral Agreement between CMHC and a Province or Territory for repairs;²

- At least a 25% reduction in energy consumption and greenhouse gas emissions at the portfolio level relative to past or pre-repair levels must be realized;
- At least 20% of the units within the portfolio must be accessible³ either at the time of execution of the agreement or by the end of the Repair Period;
- Best efforts will be made to ensure a minimum of 33% of units repaired are targeted towards women and women-led families;
- Use of contribution funding for eligible costs (“Eligible Costs”) related to the repair of the portfolio includes:
 - all typical soft and hard costs incurred in repair and upgrading a project from the planning stage to completion of repairs/upgrades;
 - any revenue loss due to decanting of tenants to accommodate necessary repairs; and
 - expenses incurred from external, third parties to support repair activities;
- A prorated amount of funding based on required adjustments and subject to CMHC’s calculation must be returned if the City indicates to CMHC that it cannot achieve the goals of affordability, accessibility, EE/GHG reduction, or required level of government investment or cannot meet other terms of the contribution agreement; and
- Housing stock receiving NHCF contribution funding will not be disposed of prior to written consent of CMHC.

² Any Canada-Ontario Community Housing Initiative (COCHI) grant funding used in capital projects cannot be used as part of cost sharing.

³ A unit will be designated as ‘accessible’ if: it meets provincial accessibility standards; or, in the opinion of a qualified professional it meets the accessibility requirements of the target population, in instances where a degree of accessibility features is required to address the barriers of that individual and/or population; or, additional definitions will be considered on case-by-case basis in order to provide sufficient flexibility for units to meet the needs of tenants.

10.0 Financial Implications

As indicated in the Key Business Terms, CMHC will provide 30% of total repair costs towards eligible projects. The additional contribution funding of \$6,000,000 from CMHC will allow the City to advance projects that would have been otherwise scheduled for 2027 or later. Under the terms of the agreement, this funding can be used to replace previously approved City funding on projects that have been completed over the last two years as well as current projects being undertaken. Staff have estimated that this will result in approximately \$2.7 million of CMHC contribution funding that will be applied towards completed and current projects.

Capital projects that were planned in the 2024-2026 forecast are estimated to utilize approximately \$1.2 million of CMHC funding. The accumulated amount of \$3.9 million allows the City to advance a further \$6.6 million of projects into the 2024-2026 forecast to utilize additional CMHC funding which will be eligible for \$2 million of CMHC contribution funding.

In order to ensure the City completes these projects in the three year timeline in accordance with the agreement, staff are recommending hiring a consultant that will also be cost shared with CMHC to manage these projects. An upset limit of \$300,000 is recommended for this position, of which \$90,000 would be eligible for this funding.

Due to the escalating construction costs over the last few years, a contingency amount has also been added to the future project costs to ensure that the City can complete these necessary repairs.

11.0 Climate and Environmental Implications

There are no direct climate or environmental implications as a result of this report. However, municipal housing assets account for 38% of corporate building greenhouse gas (GHG) emissions as of 2022. In order for the City of Brantford to reach its target of net-zero emissions by 2050, existing buildings need to be retrofitted in a way that reduces energy consumption and GHG emissions. The NHCF contribution funding will support repair/renovation projects such as installing energy efficient windows and doors, replacing roofs and increasing insulation, installing more energy efficient HVAC equipment, etc. which will help to reduce energy and GHG emissions by 25% across the 600 units proposed.

12.0 Conclusion

Canada Mortgage and Housing Corporation (CMHC) is offering the City of Brantford, as the Service Manager for Housing and Homelessness Services in the City of Brantford and the County of Brant, National Housing Co-Investment Fund (NHCF) contribution funding for the repair, renovation, and renewal of 600 units of municipally owned housing stock over a three year period.

Staff are recommending acceptance of \$6,000,000 and are seeking Council approval to enter into applicable agreements and to reallocate funding for previously approved capital projects and reprioritize current and future capital repair projects to ensure full expenditure of the funding.

The additional contribution funding of \$6,000,000 from CMHC will allow the City to advance projects that would have been otherwise scheduled for 2027 or later and will help progress goals identified in the Brantford-Brant Housing Stability Plan, Brantford-Brant Municipal Housing Master Plan, and the City of Brantford Corporate Climate Change Action Plan.



Brian Hutchings
Chief Administrative Officer

Prepared By:

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Director of Housing and Homelessness Services

Attachments

Appendix A - Project List for Report 2023-675

Copy to:

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

National Housing Co-Investment Funding for Renovation, Repair and Renewal Capital Repairs and Projects

Work in Progress Projects

Northland Gardens - fencing
Eastdale Gardens - fencing
Brant Towers and Lorne Towers - interior finishings
Housing Asset Management Plan - City and County
Housing Asset Management Plan - City (only)
Security Cameras at various Housing locations
Lorne Towers, Brant Towers, and Winston Court – air conditioning units
Security Cameras Phase 3
Housing Properties - Asbestos Inspection
Riverside Gardens - exterior improvements
Riverside Gardens - roof replacement
Winston Court - window replacement
Lorne Towers - plumbing repairs
Brant Towers - plumbing repairs
Sunrise Villa - exterior windows & doors
Willow Street - exterior windows
Trillium Way - windows and doors
Robertson Ave - crawl space
Heritage House - exterior doors/windows/walls
Heritage House - flooring/stairway finishing
Heritage House - minor capital
Lucy Marco Place
Brant Towers and Lorne Towers - common area flooring
LHC Properties - kitchen renovations

Planned Projects 2024-2026

Walkers Green - fan coil unit
Daleview Gardens - electrical services and wiring systems
Winston Court - electrical services
Lorne Towers - exterior walls foundation
Lorne Towers - panels and distribution
Marlene Avenue - elevators
Northland Gardens – windows, doors & entry-ways
Security Cameras Installation - Phase 4
Trillium Way - balcony doors and windows
Albion Towers - balcony doors
LHC Properties - kitchen renovations
Walkers Green - balcony doors
Albion Towers - hallway flooring
Lorne Towers - paint balcony walls

Heritage House - roof replacement
Heritage House - air make up unit
Heritage House - fan coil units
Building Condition Audit
Lorne Towers - panels & distribution house

New Projects Moved From 2027-2033 to 2024-2026

Heritage House - roof replacement
Lucy Marco - roof replacement
Heritage House - air make up unit
Heritage House - fan coil units
Trillium Way - roof
Northland Gardens - roofing replacement
Brant Towers - air make up units
Albion Towers - electrical panels
Lorne Towers - air make up unit
Riverside Gardens - heating system
Albion Towers - air make up unit
Daleview Gardens - heating systems
Willow St. (Paris) - roofing
Daleview Gardens - roof replacement
Eastdale Gardens - heating systems
Lorne Towers - (EIFS) exterior walls
Robertson Ave. - windows
Robertson Ave - roof shingle replacements