



To: Chair and Members of the Joint Social Services and Land Ambulance Committee
From: Paul Skinner, Interim Director of Housing Services
Date: Wednesday, September 11, 2024
Subject: Canadian Mortgage and Housing Corporation Co-Investment Funds Renovation and Repair Programme Update

Background:

This report is being provided for the purpose of informing Council of a capital funding grant allocation from the federal Crown Agency the Canadian Mortgage and Housing Corporation (CMHC).

In the Fall of 2022, County staff explored funding opportunities with CMHC to support the capital needs of the County's aging social housing stock. This partnership resulted in a \$12 million commitment from the federal government under CMHC's Co-Investment Fund's Renovations and Repair programme.

Under the Renovation and Repair programme, CMHC has committed up to \$10,000 per unit, or approximately \$12 million in capital funding to support the maintenance needs of the County-owned housing portfolio, inclusive of the units owned and operated by Wellington Housing Corporation, with a particular focus on reducing Greenhouse Gas (GHG) emissions. This investment would be a one-time, grant to support up to 30% of eligible capital costs over a three-year period, with the County contributing the remaining 70% of the capital costs. To be eligible to secure the entire \$12 million in grant funding, the County is required to commit \$28 million worth of investments into the County owned housing stock over the 2023-2025 period.

Investment Requirements:

Under the funding arrangement, the County can consider any investments made on GHG emission reducing projects in 2021 and 2022 towards the \$28 million in investments. Collectively, CMHC and municipal investments in the County owned housing stock are required to reach \$40 million over the programme's 3-year term.

Shown below is a breakdown of how the spending requirements are being achieved:

Spending Category Spending	Spending
GHG Emissions Reducing Projects in 2021 and 2022	\$2,356,000
Planned Operational Spending in 2023 - 2025	\$10,270,000
Planned Capital spending 2023 - 2025	\$12,900,000
Total previously planned spending	\$25,526,000
Additional Capital spending 2023 - 2025	\$14,474,000
Total Spending	\$40,000,000

Funding Breakdown:

CMHC Funding (30%)	\$12,000,000
Previously Budgeted Municipal Spending	\$25,526,000
New Budgeted Spending Municipal Spending	\$2,474,000
Total Funding	\$40,000,000

Staffing Capacity:

To manage the expanded capital spending, County Council approved the addition of two temporary full-time positions, which have been included in the budget.

- 1.0 FTE Capital Works Coordinator (2-year contract - July 1, 2023, to June 30, 2025) at an estimated cost of approximately \$197,000 over the contract period
- 1.0 FTE Maintenance Supervisor (3-year contract – April 1, 2023, to March 31, 2026) at an estimated cost of \$334,000 over the contract period

Capital Projects:

The Renovations and Repair Programme will allow the County to enhance our investments in this aging and very important community infrastructure. In addition to the \$12.9 million in capital investments already planned over the next 3 years, this funding allows the County to invest a further \$14.5 million in capital improvements across the County’s housing portfolio.

This additional funding will help the County make investments in:

- New Building Waste Management Systems
- New Unit Door and Controlled Entry systems
- Accessibility Upgrades to hundreds of units
- Enhanced Attic Insulation
- Expanded Camera Systems
- Additional Emergency Generators
- High Efficiency Heating and Cooling Systems
- Siding Replacements
- Roofing Replacements
- Site Improvements
- New high efficiency Windows/Doors
- Corridor handrail replacements
- Foundation Repairs

Next Steps:

The County of Wellington is currently 1.5 years into the 3-year term and has completed several planned projects, with many others expected to be completed by the end of 2024. The County expects to meet all programme requirements by the end of the 3-year term in 2025. Once the work is complete at the end of the 3-year term, the County will be required to submit an attestation report back to CMHC confirming that we have met the programme requirements.

Financial Implications:

As indicated above, to secure the \$12 million in grant funding from CMHC, total spending on qualifying projects of \$40 million must be achieved with a municipal contribution of \$28 million. After reviewing the 2023 Budget and 10-year plan, it was determined that the County has already achieved qualifying spending of \$25.5 million, funded municipally without any further adjustments required to our budget.

Federal funding was provided to the County in the form of an upfront payment for the full \$12 million. To meet the required \$40 million in spending, the proposed 2023 budget and ten-year plan were amended to include the addition of approximately \$14.5 million in additional capital spending that was not contemplated in the preliminary budget presented in November 2022.

The \$12 million in grant funding from CMHC has been utilized to offset the entire increase of \$2.2 million in 2023 and \$9.8 million of the increase in 2024, delaying the municipal impact to the budget. The required municipal contribution of \$2.47 million has a municipal cost split of approximately \$2,081,000 City and \$392,000 County. The County portion will be funded through the County's Housing Capital Reserve in line with all capital spending on social housing units.

The additional staffing requirements are also reflected in the proposed operating budget. The total cost of approximately \$531,000 for the entire duration of both contracts proposed is split \$408,900 City and \$122,100 County. The County portion is being funded from the County's Shared Services Stabilization Reserve.

Strategic Action Plan:

This report relates to the following objectives and priorities in the County's Strategic Action Plan:

- Tackling a Major Community Opportunity – Housing
- Making the Best Decisions for the Betterment of the Community

Recommendation:

That the Joint Social Services Land Ambulance Committee recommend to County Council that the report, CMHC Co-Investment Funds Renovation and Repair Programme Update, be received for information.

Respectfully submitted,



Paul Skinner

Interim Director of Housing Services