



## The Corporation of the Town of Tecumseh

Planning & Building Services

**To:** Mayor and Members of Council

**From:** Brian Hillman, Director Planning & Building Services

**Date to Council:** September 14, 2021

**Report Number:** PBS- 2021-42

**Subject:** Community Housing Renewal Strategy  
Ontario Priorities Housing Initiatives (OPHI)  
Town of Tecumseh's Participation in 2021 Rental Housing Component  
OUR FILE: D04 AFF

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### Recommendations

It is recommended:

**That** the Town's participation in the Ontario Priorities Housing Initiatives (OPHI), 2021 Rental Housing Component of the Community Housing Renewal Strategy, **be confirmed**;

**And that** the mandatory program requirements identified under the OPHI, requiring setting the property tax rate for multi-unit residential units receiving capital program funding at the effective rate equivalent to the Single Residential Rate for the Town, or by providing a grant-in-lieu to have the same effect, **be provided**.

### Background

Since 2007, the Town has been a participant in the Canada-Ontario Affordable Housing Program (COAHP), as authorized by Council. Recently, the program has been renamed as the Canada-Ontario Community Housing Initiative (COCHI). COCHI protects affordability for households in social housing, supports the repair and renewal of existing social housing supply and facilitates the expansion of the supply of community housing over time.

In 2019, the Ontario Priorities Housing Initiatives (OPHI) for community housing was established. OPHI is modelled after similar, previous affordable housing programs, with the most recent being the Investment in Affordable Housing Program Extension (IAH-E). There are a number of additional features in this program, including the addition of a support services component and the eligibility of social housing under Ontario Renovates. Similar to

COCHI, OPHI also addresses local housing priorities, including affordability, repair and new construction.

Historically, the response to the program region-wide has been positive with residential projects in Tecumseh, Amherstburg, Kingsville, Leamington and Windsor receiving funding. Specifically, for Tecumseh, Community Living Essex County was awarded funding in 2008 for three separate residential locations in Tecumseh, totalling ten affordable rental units representing \$731,500 of program funds.

The City of Windsor Housing and Children's Services (CWHCS) has been designated the Service Manager responsible for the delivery of the aforementioned housing programs in Windsor and Essex County. The CWHCS has requested confirmation from the Town of Tecumseh of its intention to continue to participate in the 2021 Rental Housing Component of the Community Housing Renewal Strategy, as funded by the OPHI.

## **Comments**

### **Program Details**

There are two requirements to be fulfilled by the Town in order to participate in the OPHI, as follows:

#### **1. Reduction in Municipal Property Tax Rate**

To participate in the program for 2021, the Town needs to reconfirm that it wishes to participate in the program and that it agrees to reduce the municipal portion of property taxes for any OPHI funded rental housing project by setting the tax rate equivalent to, or lower than the Single Residential Rate or provide a grant-in-lieu to have the same effect.

In 2018, the province introduced a new tax class for new multi-residential development, established as Multi-Residential – New Construction. The province established that the tax rate for this new class be equal to or up to a maximum of 10% higher than the Single Residential Rate. The Town's tax ratios are set at the County level and the new Multi-Residential – New Construction tax ratio effective for 2021 is set at 10% greater than that of the Single Residential tax class for 2021.

As previously noted, the OPHI program requires municipalities in which approved projects are located to set the municipal portion of property taxes for the project at a rate equivalent to, or lower than, the Single Residential Rate for the municipality for the 20-year duration of the program. Accordingly, Council's commitment to maintain this rate for approved projects over the 20-year life of the program is required and is recommended.

## **2. Passage of Municipal Housing Facility By-law**

If a development under the OPHI program is proposed, Ontario Regulation 603/06 of the *Municipal Act, 2001* requires that before an agreement respecting municipal housing project facilities is entered into, a Municipal Housing Facility By-law must be enacted, which must comply with the requirements of subsection 7(2) of the aforementioned Ontario Regulation.

Subsection 7(2) of Ontario Regulation 603/06 requires that the by-law include the following:

- a definition of “affordable housing”;
- policies regarding public eligibility for the housing units to be provided as part of the municipal capital facilities; and
- a summary of the provisions that agreements respecting municipal capital facilities are required to contain.

Town Council passed By-law 2017-30, the Municipal Housing Facilities By-law, on May 9, 2017. In accordance with the aforementioned regulations, the by-law outlines the parameters in which housing developed under the government programs receive municipal funding. The By-law is in effect until May of 2022. Accordingly, in light of the upcoming expiration of By-law 2017-30, Administration recommends that a new by-law be adopted. Town Administration is currently working with the CWHCS on a new by-law to ensure it contains appropriate provisions, which will be brought forward to a future Council meeting for consideration of adoption.

Municipalities that agree to the single residential property tax rate requirement and Municipal Housing Facility By-law are referred to as “participating municipalities”. Delivery of the OPHI funding requires confirmation from each member municipality that wishes to participate in the program so that participating municipalities may be listed as location options for social housing programs in Windsor and Essex County. If a municipality does not wish to participate, proposals received for projects located within the municipality are not eligible for funding.

The Rental Housing component of the program may fund up to 75% of the total pro-rated share of capital costs of the affordable units, on a 20-year forgivable loan basis.

Participating landlords are required to maintain rents at 80% or less of the then current CMHC or alternative average market rents for the 20-year duration of the program. It is noted there is not a specific allocation provided to each participating municipality.

To facilitate the CWHCS' review and selection of the program components to be delivered in 2021, written confirmation of a municipality's participation in the program is required for September of 2021, along with confirmation that the mandatory property tax requirement will or has been adopted.

## **Program Promotion**

CWHCS has advised that since 2006, it has maintained a “bidders list” of various development firms/agencies that have expressed an interest in affordable housing throughout the Windsor-Essex region. When Requests for Proposals (RFPs) are initiated through the City of Windsor Purchasing Department, all those on the list are notified. In addition, commencing this year CWHCS has conducted media releases outlining the aforementioned program which has been covered by both newspaper and radio media.

If Council adopts this Report, it will be listed in the Town's Council Highlights news release, which is shared on the Town's website and social media. A direct mailing to local developers and home builders is also proposed along with a request to CWHCS to share this Report with those on its bidders list. CWHCS requests that any Town media releases advising of the Town's participation in the program direct all inquiries to CWHCS for proper management of the program.

One way the Town can further promote the program is to inform a prospective affordable housing project developer of any Town financial incentives available. For the Town, this is proposed to be accomplished by advising potential proponents of the Town's Tecumseh Road Main Street Community Improvement Plan (CIP), which offers each property up to \$100,000 in CIP grant funding. In particular, a housing development under the noted program could potentially benefit from the CIP Development Charges Grant Program.

## **Consultations**

Financial Services  
City of Windsor Housing and Children's Services

## **Financial Implications**

As previously noted, since 2018, the “Multi-Residential – New Construction” tax class exists for new multi-residential development. The province requires that the tax rate for this class be equal to or up to a maximum of 10% higher than the Single Residential Rate. The Town's tax ratios are set at the County level and the “Multi-Residential – New Construction” rate effective for 2021 is set at 10% greater than the “Single Residential” tax class.

Eligible properties under this program would be entitled to a reduction of municipal taxes assessed to the extent that the Multi-Residential – New Construction rate exceeds that of the Residential tax rate and this reduction would be absorbed by the Town. A grant-in-lieu would be the means to give an effective Single Residential Rate until such time as changes are made by the Province to allow an alternative method to set the tax rate.

## Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input checked="" type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

## Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

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Chief Administrative Officer

Attachment Number	Attachment Name
None	None