
2024 to 2026 Issue Paper

Community Housing Building Condition Audits – Long-term Strategy

Purpose

The purpose of this issue paper is to establish the creation of a reserve account for the purpose of completed cyclical building condition audits of the community housing portfolio. This strategy will help future budgets and housing reserves by better balancing the annual expenses that are required every 5 years.

Background

Northumberland County, as the Consolidated Municipal Service Manager (CMSM), has legislated obligations per the Housing Services Act, 2011 (HSA) to provide affordable housing units to individuals and families, while maintaining a minimum of 677 prescribed rent-geared-to-income (RGI) units predominately located in non-profit housing providers (including co-operative housing providers) and the local housing corporation. Despite this legislated requirement, provincial and federal governments will be fully divested¹ of their interest in Northumberland County providers in 2032.

A key component of the ongoing management of these housing assets (9 non-profit and co-operative housing providers and 16 buildings currently owned and operated by the Northumberland County Housing Corporation (NCHC) is ensuring Northumberland County, as Service Manager, has the most relevant and accurate information on the overall condition of the physical assets. In 2015, Building Condition Assessments (BCAs) were completed for non-profit and co-operative housing providers and data was inputted into the Housing Service Corporation (HSC)'s AssetPlanner software. In 2020/2021 BCAs were completed for the entire community housing portfolio, with data being inputted and updated into the AssetPlanner software.

Since 2015, Northumberland County has provided training to non-profit housing providers to maintain and update AssetPlanner with updated information that reflects

¹ This does not reflect the new Canada-Ontario Community Housing Initiative which replaces federal funding through the expiring Social Housing Agreements dating back to the 2018/2019 fiscal year.



repairs made or changes to the lifecycle of key building components. Over the last several years, Northumberland County has increasingly relied upon the data in AssetPlanner to make informed capital repair and renewal decisions.

Historically, a one-time draw from reserves was utilized to purchase the BCAs, however recognizing that this is a recurring cost and the fact that the Housing Reserve account is earmarked to support the development of new affordable housing units, an alternative financing strategy is being proposed.

It is recommended that through the creation of a reserve account, an annual contribution is made to support budget and reserve stabilization every five years. It is recommended that BCAs are completed every five years to ensure relevant and accurate information is available on the condition of the overall community housing portfolio in Northumberland County. To complete this work, Northumberland County will also work with a project management company to oversee the work and provide quality assurance and input into AssetPlanner technology.

Consultation/Options

During the budget and business planning cycle, ongoing consultations with the Director of Community and Social Services, Department of Finance, Department of Public Works and the CAO have occurred. In addition, estimates of costs have been reviewed and broader conversations have taken place with other service managers.

Through an annual investment into the reserve account, the impact to the overall County budget and reserve accounts will be stabilized and able to predict cyclical budget needs for this important work.

Financial Impact

The financial impact of this work over the next three years is:

2024 – \$65,000

2025 – \$65,000

2026 – \$70,000

The annual investment required in 2027 and onward is approximately \$40,000. The required studies typically cost between \$4,000 and \$5,000 per site. At present there are approximately 25 sites that would be included in this annual work. The total budget for this work would also include a small project management fee as discussed above.



Risk Considerations

Risk has been considered throughout this request, the risk of not completing this work is that the County and housing providers will not have relevant and updated information on the overall condition of the community housing assets throughout the community. This is critical information that is used in decision making and in allocation of capital investments. This work aligns with the strategic priorities set out in the Affordable Housing Strategy, Community Housing Master Plan, NCHC Asset Management Plan and the NCHC 5-year Strategic Plan.

Impacts to Member Municipalities/Partners

Through this investment, housing providers will have access to critical asset management data, this data is also critical for ongoing asset management planning requirements. Ongoing training on AssetPlanner will continue to take place to support the increased capacity of all housing providers, including the NCHC to maintain updated records and ensure capital investments are evidence based.

Included in 2023 Long Term Plan: YES/NO

No. The request to create a reserve account was not included in the long-term plan. However, the completion of BCAs and related studies are identified in long-term objectives and needs of the program.



2024 to 2026 Issue Paper

Made in Northumberland Rent Supplement Program – Affordable Housing Strategy Units

Purpose

This is a request to continue the expansion of the 'Made in Northumberland' Rent Supplement Program to include units supported through the implementation of the Affordable Housing Strategy (AHS), as initiated in the 2021 budget.

It is recommended that this local program be guided by the Northumberland County Affordable Housing Strategy, and the Capital Grant Program.

Background

Over the last 10 years the number of households on the centralized waitlist (CWL) has grown by more than 300%, now reaching over 1,000 households with some waiting for over 10 years for a subsidized unit. Substantial growth of affordable rental housing options is required to meet the need for affordable housing options. Northumberland County has developed a multi-pronged approach to supporting the increase of affordable housing stock including community housing growth initiatives as led by the Northumberland County Housing Corporation (NCHC) and other non-profit and private developers and the expansion of rent supplement programming to increase affordability in the private sector. Rent Supplement provides the opportunity for Northumberland County to increase the number of households that are able to receive RGI in private market rent settings that can complement the need to increase housing stock, particularly for households already residing in reasonable priced rental units.

Northumberland County has a legislative requirement to meet established service level standards (SLS) set by the Province. The SLS represent the number of qualified households in receipt of rent-geared-to-income (RGI) or a designated portable housing benefit that the County is required to administer. The SLS were established at the time of social housing download from the Province to municipalities and were intended to reflect the number of units transferred to the County. Northumberland County's SLS are found in O. Reg. 367/11 Schedule 4, the specific targets for the County are:



- 677 Households at or below household income limits
- 377 high need households
- 22 modified units

Northumberland County, like many other service managers are unable to meet the SLS and has begun to increase units through the creation of a county-funded rent supplement program starting in 2020.

One of the key housing gaps identified in the Northumberland County Affordable Housing Strategy was a need for affordable rental housing options for households with low incomes. According to the Strategy there is a need to create 90 affordable housing units each year, predominately rental options, over the next 10 years. Of these 90 units, 52 units should be affordable to households in the first- and second-income deciles (according to the 2021 Census this represents households earning \$43,897 or less). To create units that are affordable to these households, rent supplements or other forms of subsidies will be required to ensure that units created are affordable to this demographic, in particular for households in the first income decile.

This issue paper recommends continuing the growth of the Made in Northumberland Rent Supplement Program as approved by Council in 2022 with the goal of creating rent supplement agreements in 50% of all County-supported affordable rental units created under the Affordable Housing Capital Grant Program, Affordable and Rental Housing Program Policy and the Municipal Housing Facilities By-law up to a maximum of 50 rental units per year over a rolling average. County provided support to housing developers through the provision of County-funded incentives provides Northumberland County with the right to enter into rent supplement agreements within all supported affordable units in new rental developments that receive County support through TIEGs or other incentives.

It is recommended that Northumberland County continues to establish rent supplement agreements in 50% of all affordable rental housing units, supported through county-funded incentives. As private market rental units continue to increase in price, this will support Northumberland County in securing reasonably priced rent supplement units, while also allowing affordable market rents to be available to households who are able to afford these units without subsidy and/or do not qualify for rent-geared-to-income (RGI). Currently a rent supplement unit can cost between \$9,000 and \$12,000 annually, depending on the market rent amount and the household's income. The higher cost of market rent has also increased the cost of a rent supplement, with recent units nearing \$12,000 annually. Units supported with County-funded incentives will be required to adhere to a rent ceiling as agreed to in the Municipal Housing Facilities Agreement between the proponent and the County. This ceiling will allow for some stability in rent supplement levels required for these units over the next several years.



It is anticipated that at least 50 new affordable rental housing units will be developed by non-profit and private sector over the next three years. Of these units, the County is anticipated to support and incentivize approximately 23 units by 2026.

It is anticipated that in order to support rent supplement agreements in these units that an additional \$160,000 will be required by the end of 2026 to support these units, in addition to approximately \$88,000 that has been reallocated from a former planned project. All unspent rent supplement funding at the end of the fiscal year is transferred into a Service Level Standard/Rent Supplement Reserve Account to be used in future years to support the growth and increase market cost of rental units.

Consultation/Options

During the budget and business planning cycle ongoing consultations with the Director of Community and Social Services, Department of Finance and the CAO have occurred. In addition, the broader service manager network continues to be consulted to understand best practices.

Other options considered included not expanding rent supplement program in Northumberland County. This option would result in the lost opportunity of partnering with housing developers seeking County funded support through county-funded incentives. In addition, this option would not increase the County's SLS or affordable housing targets as per the Northumberland County Affordable Housing Strategy.

The proposed option of expanding the 'Made in Northumberland' Rent Supplement program is well positioned to support Northumberland County's requirements to meet or exceed the legislated SLS. In addition, this proposal supports the Northumberland County Affordable Housing Strategy goal of creating new affordable rental housing stock that is affordable to households in the first- and second-income deciles.

Financial Impact

The financial impact of this issue paper over the next three years is:

2024 – \$0
2025 – \$52,000
2026 – \$160,000

This is in addition to \$88,406.25 that was previously allocated in 2022 for a planned project that did not proceed with county-funded incentives for the development.

This funding will also require a cost of living adjustment annually to support market rent increases.



Risk Considerations

Risk has been considered throughout the proposed expansion of the Made in Northumberland Rent Supplement Program. The risk associated with not expanding rent supplement programming in Northumberland is that the County will continue to be challenged in meeting its legislated SLS.

In addition, the measured expansion of rent supplements also supports the creation of a thriving and inclusive community and recognizes that affordability challenges impact households of all income thresholds and works to ensure a diversity of households can access newly created affordable units.

Impacts to Member Municipalities/Partners

At present, rent supplement units are located in five of seven municipalities. The proposed expansion is focused on affordable housing units created by the non-profit and private sectors. The projects considered for this funding are in two municipalities, including one which does not currently have rent supplement units. Northumberland County is working to expand support to member municipalities interested in supporting affordable housing growth in their municipalities.

Included in 2023 Long Term Plan: YES/NO

No. The amounts were not identified in the long-term plan but the program was started with the intention for growth as new projects came forward.



2024 to 2026 Issue Paper

Re-investment in Housing Reserves

Purpose

This issue paper seeks to begin the annual re-investment of \$500,000 into the Housing Reserve Account beginning in 2024.

Background

Between 2011 – 2017 the Housing Reserve Account received an annual investment to support future housing projects. The amount of this investment ranged from \$470,000 - \$1,300,000 annually. In 2018, annual investments into the reserve account were redirected due to the substantial amount in the housing reserves, recognizing the need for other reserves to be grown to support other programming needs.

The Housing Reserve Account is intended to be primarily supporting the growth of affordable housing in Northumberland. This Reserve funds activities to generate housing growth including pre-development costs for new housing, acquisition of land and property, and affordable housing incentives, such as the Affordable Housing Capital Grant Program.

In effort to increase stock, Northumberland County has initiated a series of initiatives funded through the Housing Reserves aimed at supporting private and non-profit developers to create rental stock including the launch of the Affordable Housing Capital Grant Program which commits \$1,000,000 to the creation of 50 new affordable units through capital grants of up to \$20,000 per unit, in addition to consideration of other municipally funded incentives, including Tax Increment Equivalent Grants (TIEGs) and Development Charge Rebates.

Northumberland County, partnering with the NCHC continues to seek opportunities to grow the NCHC's portfolio through the development of new units throughout the County. To date, two projects have been announced: Elgin Park Redevelopment and 473 Ontario Street, both in Cobourg. County staff continue to aggressively seek opportunities for land acquisition through surplus land, private market searches and



other avenues, with the goal of developing shovel-ready/funding-ready projects throughout Northumberland.

The growth of the NCHC stock and landbanking practices is supported in the County's strategic direction as outlined in the Affordable Housing Strategy, 10 year Housing and Homelessness Plan, and the Community Housing Master Plan. This is also supported by the strategic direction of the NCHC as outlined in the NCHC's 5 Year Strategic Plan and the NCHC Strategic Asset Management Plan.

At present, the County has acted as the lead in the purchase, acquisition and due diligence on potential sites as stewards responsible for the Housing Reserve that funds these initiatives. After the acquisition of the land, and initial development activities the land is then transferred to the NCHC.

At present the Housing Reserves currently has approximately \$3,200,000 remaining in available funding (not earmarked to future projects such as the Capital Grant Program and 473 Ontario Street pre-development work). The work that is ongoing within the Housing and Homelessness Division to grow local housing stock requires that a re-investment into this housing reserve takes place over the next several years for it to be a reliable source of funding for critical investments in the housing growth goals of the County.

This issue paper is also requesting an increase to the affordable housing growth budget funded annually from the Housing Reserves. This is a dedicated budget for the priority of growing community housing stock and developing a landbank of shovel-ready/funding-ready sites for future development of community housing. With an increase in this annual budget to \$100,000, County staff will be able to continue to identify and action possible development opportunities in a timely manner that matches the need for timely decisions when acquiring real estate. This fund will support the initial investigation into a site, this will not be able to fund the full due diligence required prior to finalizing a possible acquisition. Any unspent funds will be returned to the Reserves annually.

Consultation/Options

In the development of this issue paper, consultations occurred with the Department of Finance and the Chief Administrative Officer.

The Northumberland County Affordable Housing Strategy identified that at least 900 new affordable housing units would be required over a ten-year period to reduce the community housing centralized waitlist by half. Since the Affordable Housing Strategy was released in 2019, the Housing Reserve has supported an overall increase to the count of affordable and attainable housing units in Northumberland County (achieved



and/or under development) of approximately 160 new units being developed by the Northumberland County Housing Corporation (NCHC), private and non-profit housing providers. It is anticipated that these units will be fully online by the end of 2025.

These developments are moving toward being closer to cost neutral to the long-term County levy. This will be achieved through a mix of affordability levels (ranging from reasonable market rent, affordable rent, and where possible rent-geared-to-income). In addition, Northumberland County will continue to advocate for systems changes to financing of affordable housing creation and increasing partner contributions into the development of housing.

Northumberland County and the NCHC are actively looking to continue the land acquisition strategy to support the ongoing growth of housing in Northumberland. Housing Reserves have been relied upon to support land acquisition and pre-development construction costs for housing projects. Land is typically acquired for \$500,000 - \$600,000 an acre and pre-development costs range from \$15,000 to \$20,000 per unit. As such, new housing developments require substantial up-front investments to launch the projects. It is important that the Housing Reserves is at a sustainable level that allows for the County to be responsive to land acquisition opportunities and support pre-construction costs, outside of funding sourced for each development.

This reserve account is becoming increasingly important as development costs increase, particularly the rising interest rates. Further, the sustainability of the reserve account will be critical to support the land acquisitions currently underway to develop a landbank of shovel-ready, funding-ready projects. Staff will also continue to look to opportunities to increase the sustainability of the reserve account through partnerships with other developers to share in land acquisition and pre-development costs.

Should the reserve account not receive the annual re-investment, the affordable housing growth strategy of Northumberland County will be significantly impacted and in the foreseeable future, development will cease.

Financial Impact

The financial impact of this issue paper over the next three years is:

2024 – \$500,000
2025 – \$500,000
2026 – \$500,000



In addition, this issue paper seeks to increase the annual draw for pre-development and acquisition work from \$50,000 to \$100,000. Any unspent funds will be transferred back into the reserve account at the end of the year.

Risk Considerations

Risk has been considered throughout the request to re-invest into the Housing Reserves. The risk associated with not re-investing in this reserve is that the affordable housing growth strategy of Northumberland County will be significantly impacted and in the foreseeable future, development will cease.

Effort has also been made to ensure there is a stable increase to the Northumberland County budget to allow for a gradual increase to fund large-scale development and purchase costs through annual investments.

Impacts to Member Municipalities/Partners

This request will allow the County to continue to be able to respond nimbly and expediently to support housing growth across the County. This will also support ongoing partnership opportunities for growth.

Included in 2023 Long Term Plan: YES/NO

No. However investments have been identified starting in 2027.

2024 to 2026 Issue Paper

Housing Services Supervisor

Purpose

This is a request to create a Supervisor position within the Housing Services Division that would report to the Housing Services Manager. This position would support the successful operations of both the Housing Services Division and the Northumberland County Housing Corporation (NCHC).

Background

Northumberland County Housing Services is responsible for the oversight and administration of mandated programs and services as outlined in the *Housing Services Act, 2011* in its role as Service Manager and other affordable housing programs cost-shared by the provincial and federal governments. In addition, Housing Services is also responsible for the oversight and management of the Northumberland County Housing Corporation (NCHC), while also supporting the County's strategic priority of affordable housing.

Presently Housing Services is led by a newly created position of an Associate Director of Housing and Homelessness and a Housing Services Manager who is also the General Manager of the NCHC. Prior to the reorganization of housing and homelessness programs, Housing Services was also supported by a Housing Operations Supervisor. This issue paper seeks to re-establish the Housing Services Supervisor position. The Housing Services Operations Supervisor is a role that has taken on operational leadership and staff supervision in supporting a high-quality delivery of service predominantly for the NCHC, in addition to program oversight, administration and program design for other housing programs and services. This position supports delivery of services to clients and tenants and works with staff to implement eviction prevention activities and supports all operational activities within Housing Services.

The breadth of program areas and accompanying legislation is wide. At present, there are at least 8 provincial statutes that drive the work of the division including: *Housing Services Act, 2011*, *Residential Tenancies Act, 2006*, *Ontario Business Corporations Act, 1990*, *Planning Act, 1999*, *Municipal Act, 2001*. The work of the Housing Services



division is also required to comply with other supporting legislation in all areas of work including: *Human Rights Code, 1990*, *Accessibility for Ontarians with Disability Act, 2005 (AODA)*, *Municipal Freedom of Information and Protection of Privacy Act, 1990*. The relationship between the Housing Services Division and the supporting legislation is made additionally complex in its role as a landlord in supporting the NCHC.

In addition, the Housing Services Division works closely with a large group of stakeholders in the successful delivery of programs and services. These stakeholders include internal departments and divisions, other levels of government, community agencies, community housing providers and private developers delivering affordable housing, tenants, applicants, and other service users.

There is a wide range of programs and services currently overseen by the Housing Services division. In 2023, this division oversaw an operating budget of over \$10,000,000, there is also presently \$23,000,000 in ongoing and planned capital projects for affordable housing growth and expansion that is being supported and led through Housing Services.

Housing Services is responsible for a broad range of program areas ranging from community housing oversight and requirements, implementation of affordable housing programs funded by upper levels of government, overseeing the centralized waiting list for community housing in Northumberland, implementation and growth of rent supplement programming, supporting the NCHC in operations, governance and growth strategies and leading the implementation of the Northumberland County Affordable Housing Strategy.

These program areas are also complemented by a suite of strategies that are being led (or co-led) by Housing Services. These strategies include:

- Northumberland County Affordable Housing Strategy
- 10 Year Housing and Homelessness Plan
- Community Housing Master Plan
- NCHC Strategic Plan
- NCHC Asset Management Plan
- 2024-2027 County Strategic Plan

Housing Services currently has an Associate Director of Housing and Homelessness, Housing Services Manager and four Housing Services Caseworkers. Caseworkers are focused on providing high quality frontline support to NCHC tenants, rent supplement tenants, waitlist applicants, community housing providers and other housing programs as funded by the federal and provincial governments, the Housing Services Manager is responsible for leading implementation of strategic directions, programmatic oversight, providing leadership to the NCHC as the General Manager, the Associate Director of



Housing and Homelessness is responsible for strategic visioning and implementation, growth of affordable housing stock, systems level planning and response, and providing overall direction to Housing Services programming. Housing Services is also supported by the Customer Services Unit, including two FTEs funded through the Housing Services budget which provide support in the administration of program areas listed above.

The capacity of the Housing Services Division continues to peak, particularly for Housing leadership. Over the past several years, workload realignment has occurred with frontline workers to create efficiencies and create capacity in attempts to better serve the breadth of program areas within its scope. While this continuing realignment has proved to provide much needed frontline capacity, gaps remain within the workload at a management/supervision level. When the Housing Services Operations Supervisor position was introduced in 2022, it was anticipated that this position would be able to support and address key areas of concern in the County's delivery of support for Community Housing Providers, NCHC operations and the implementation of Affordable Housing Strategy. However, after implementation of this position, it was quickly realized that it was a full workload to oversee a high-quality operation of the NCHC and general program oversight in other areas.

As such, it is imperative that a Housing Services Supervisor position be re-established to support the critical work of Housing Services, and further investments may be required in the future.

It is anticipated that this position will strive to support Housing Services in achieving critical strategic goals in the following areas:

- NCHC operations: policy implementation; purchase services administration and oversight; development of standard operating procedures for facilities management of NCHC assets; implementation of upcoming market rent units; modified unit creation and vacancies; strategic plan implementation.
- Community Housing Providers (non-profit and co-operative housing providers): long-term viability consideration for post end of operating agreements/mortgages; long-term capital requirements; strong tenant relations; staff training; legislative compliance; community housing directives guidance and adherence.
- Affordable Housing Strategy: development and actioning of an implementation plan; pursuing land banking and land acquisition opportunities; supporting member municipalities in strategy implementation – CIPs, policy updates, consideration of financial incentives.
- Special Projects: lead the legislated renewal of the 10-year Housing and Homelessness Plan in 2024; support public awareness/education initiatives on



housing needs, funding structures and local successes; implementing a landlord engagement strategy, restructuring rental subsidies and consideration of growing supportive housing options in Northumberland.

It is intended that the Housing Services Supervisor position would support the direct oversight of frontline activity, ensuring programs adhere to all relevant legislation, directives, policies, procedures, and guidelines. It is also intended that this position would support the implementation of key strategies and support the development of processes for new and growing areas, including the affordable housing strategy implementation and new tenures of housing options within the NCHC (namely non-RGI rent).

A Housing Services Supervisor will support the continued provision of direct support to frontline staff providing high quality services to tenants, applicants and housing providers while also supporting the Associate Director of Housing and Homelessness and the Housing Services Manager in the implementation of key strategic areas.

Consultation/Options

This issue paper was discussed with, and reviewed by, the Chief Administrative Officer, Corporate Services, Finance Department and the Director of Community and Social Services. In addition, engagement will take place with the NCHC Board of Directors to garner their support in this position to support the work of the NCHC operations and other housing priority areas.

In reviewing other service manager areas, it has been determined that in many areas positions exist within housing services areas that are neither client-facing nor the Housing Services Manager. In some Service Manager areas this represents supervisors with various focuses, policy and/or business analysts, or other positions.

Financial Impact

The financial impact of this issue paper over the next three years is:

2024 – \$97,500
2025 – \$130,000
2026 – \$130,000

Risk Considerations

Risk has been considered throughout the request to re-introduce the Housing Services Supervisor position. Housing Services provides mandated services for Northumberland



County residents as Service Manager through the oversight and delivery of community housing services. In addition to the mandated areas, Housing Services leads the implementation of County Affordable Housing Strategies.

Risk considerations of not filling this position may mean that the County is not able to maintain legislative compliance in its delivery of community housing. Should this position not be realized, Housing Services will be challenged to meet expectations set for implementation of strategic priorities while overseeing the full community housing portfolio and meeting the needs of the NCHC.

Impacts to Member Municipalities/Partners

Affordable housing has been identified as a strategic priority in many member municipalities as well as the County. It is anticipated that through increasing capacity within the Housing Services leadership will support workload realignment to ensure strategic housing priorities are met.

It is also anticipated that this position will greatly benefit community housing providers including 8 non-profits, 1 co-operative and the NCHC in direct support in oversight and legislation adherence.

Included in 2023 Long Term Plan: YES/NO

No. However, a supervisor position was budgeted as part of the ongoing salary considerations for Housing Services.