

Subject: Last Mile Funding – Canada-Ontario Community Housing Initiative (COCHI)

Report to: Public Health and Community Services Committee

Report date: Tuesday, March 4, 2025

Recommendations

1. That a gross operating budget adjustment to the previously adopted 2025 Regional Municipality of Niagara (Niagara Region) operating budget in the amount of \$2,650,000 gross and \$0 net, to be fully funded through the Canada-Ontario Community Housing Initiative (COCHI) Last Mile Funding Program, **BE APPROVED**.

Key Facts

- The purpose of this report is to seek Regional Council approval for an operating budget adjustment arising from the announcement of Last Mile – COCHI funding for the Lions Douglas Heights development project in Fort Erie. An in-year receipt of funding must comply with By-law 2017-63, Budget Control, items 6.6(a) and 6.6(b), requiring Council's approval for any amounts received in excess of \$1.0 million for operating programs.
- The Ministry of Municipal Affairs and Housing (MMAH) announced a Last Mile – COCHI program funding opportunity in December 2024 to help expedite construction projects.
- Niagara Region submitted an application for the Lions Douglas Heights project, which is a development project managed by the non-profit housing provider.
- This project was identified through Housing Services' 2023 and 2024 Affordable Housing Development Expression of Interest process as shovel-ready and best-positioned among non-profit projects to proceed with immediate funding support.

Financial Considerations

The all-in project budget for Lions Douglas Heights is \$25,012,730 for 62 units, representing a cost of \$403,431 per unit. This COCHI Last-Mile funding bridges the project's remaining capital funding gap, allowing the project to be submitted to the Canadian Mortgage and Housing Corporation (CMHC) Affordable Housing Fund's capital loan and grant program. This CMHC funding will provide a total loan-to-value contribution of 68.8%, or \$12,558,975 loan and a \$4,650,000 grant.

In addition to the \$2,650,000 COCHI Last Mile funding and the CMHC funding noted above, Lions Douglas Heights have received the following confirmed funding commitments, which are necessary to reduce total capital financing required by Lions Douglas Heights, allowing the project to meet its deep affordability targets.

- \$1,620,000 - Lions Douglas Heights Equity Contribution
- \$1,500,000 - COCHI Year 6 Funding
- \$702,517 - Town of Fort Erie Development Charge (DC) and Planning Fee Waivers and Incentives
- \$779,738 - Niagara Region DC and Planning Fee Waivers
- \$200,000 - Branscombe Family Foundation Grant
- \$98,000 - Federation of Canadian Municipalities GMF Studies Grant
- \$53,500 - Enbridge Savings by Design Affordable Housing Grant
- \$200,000 - Lions Douglas Heights Capital Fundraising Campaign

The Region will enter into an agreement to ensure MMAH funding granted to Lions Douglas Heights will comply with all the MMAH criteria, including the provision that Lions Douglas Heights will be required to retain Niagara Region Housing Services' project manager to ensure compliance with the COCHI Last Mile program, timelines and capital budget.

Analysis

In December 2024 the Ministry of Municipal Affairs and Housing (MMAH) announced a funding opportunity through the Last Mile – COCHI program to expedite construction projects by identifying a project that could proceed with immediate funding support.

In line with eligibility requirements, Niagara Region applied to expedite the Lions Douglas Heights project. Niagara Region Housing Services has been supporting this project through formal project management services since 2019, and this project was identified through Housing Services' 2023 and 2024 Affordable Housing Development Expression of Interest process as shovel-ready and best-positioned among non-profit projects to proceed with immediate funding support.

The MMAH confirmed on January 27, 2025, that the Regional Municipality of Niagara funding application was successful and will receive an additional funding allocation in the amount of \$2,650,000 for the project under the Last Mile Funding stream of COCHI for the 2024-2025 fiscal year.

The funding for this project is provided to Niagara Region, who will flow the funds to Lions Douglas Heights conditional upon the Proponent obtaining all required planning approvals and other permits for the project.

The Lions Douglas Heights New Seniors Development affordable housing project in Fort Erie consists of a 62-unit, eight (8)-storey independent living apartment for seniors. Lions Douglas Heights is an existing housing provider in good standing with the Niagara Region as Service Manager, and the project will serve clients coming directly from the Affordable Housing Centralized Waitlist.

Alternatives Reviewed

Should Council choose not to approve the operating budget adjustment the project will be delayed until alternative funding becomes available and Niagara Region will forfeit receipt of the Last Mile – COCHI funding allocation of \$2,650,000.

Relationship to Council Strategic Priorities

Providing the Last Mile – COCHI funding to Lions Douglas for the new seniors development project in Fort Erie is aligned with the Council Strategic Priority of Equitable Region, in that it will improve access to affordable and attainable housing to meet the needs of Niagara by increasing affordable housing units available for seniors in need in the community.

Other Pertinent Reports

None.

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