

Municipality of Chatham-Kent

Chief Administrative Office

Municipal Housing Development

To: Mayor and Members of Council

From: Ray Harper, CPA, CMA, PMP
Director, Municipal Housing Development

Date: August 12, 2024

Subject: Affordable Housing Build 199 Westcourt Blvd. Wallaceburg, ON - RFP for Design and Construction Tender

Recommendations

It is recommended that:

1. Administration be authorized to issue a Request For Proposal (RFP) for the full design and engineering services for the development of a 72-unit affordable housing development at 199 Westcourt Boulevard, Wallaceburg, ON.
2. Administration be authorized to use the projected \$300,433 uncommitted balance of Social Housing Min Finance Plan – Wallace Reserve #17317 for expenses related to the 199 Westcourt Boulevard and 55 Minnie Street Wallaceburg Affordable Housing developments.
3. Council delegate to the Chief Administrative Officer authority to award the successful design proponent up to 7% of the construction value estimation for the full design services for the development of a 72-unit affordable housing development at 199 Westcourt Boulevard, Wallaceburg, ON.
4. Administration be authorized to issue a Request For Tender for the construction of the 72-unit affordable housing project at 199 Westcourt Boulevard, Wallaceburg, ON using the approved Community Housing Priority Projects - Canada-Ontario Community Housing Initiative (COCHI) and Year-End Reallocation – Additional Funding Allocation for 2023-24 funding MMAH COCHI funding application. Costs related to this project will be using:
 - a. Community Housing Priority Projects - Canada-Ontario Community Housing Initiative (COCHI) and Year-End Reallocation – Additional Funding Allocation for 2023-24 funding (\$4,074,560);

- b. Canada Mortgage and Housing Corporation (CMHC), Federation of Canadian Municipalities (FCM), upper-level government funding applications if approved.
 - c. available affordable housing reserve balances.
 - d. remaining funding to come from debenture debt financing funded from future affordable housing base budgets.
5. Administration to return to Council with detailed costs and financing plan once the Tender process completed to authorize the construction of the 72-unit Affordable Housing development at 199 Westcourt Boulevard, Wallaceburg, ON.
6. Administration be approved to submit funding applications to all appropriate affordable housing grant opportunities such as Rapid Housing Initiative Round 2, FCM, CMHC to facilitate this development.
7. Council direction that the 72-unit 199 Westcourt Boulevard, Wallaceburg, ON development is a priority community project and will receive prioritized building permit review.

Background

In implementing Council's strategic direction in developing affordable housing, Administration has been working on developing affordable housing throughout the Municipality of Chatham-Kent, especially on municipal owned and underutilized land parcels such as the Municipality of Chatham-Kent owned 199 Westcourt Boulevard, Wallaceburg land parcel. This development process has been identified in several previous reports to Council highlighted below;

- [December 20, 2021, Recommendations to Encourage and Develop Affordable Housing in Chatham-Kent,](#)
- [January 16, 2023, Affordable Housing Development RFP Pre-Design – 2022 Canada Mortgage and Housing Corporation \(CMHC\) SEED Funding,](#)
- [November 6, 2023, Request for Proposal Award – R23-194 CK Housing Services Consultant West Wallaceburg Project](#)
- [November 6, 2023, Chatham-Kent's Affordable Housing Development Progress 2023,](#)

The recommendations in this report also address Motions of Council such as:

- [November 22, 2021 Motion by Councillor Anthony Ceccacci re: Homelessness and Affordable Housing,](#) which directs administration to provide options to develop more affordable housing units in Chatham-Kent,

- [July 10, 2023 Motion by Councillor Anthony Ceccacci re: Homelessness Update](#), which directs Administration to bring a report(s) with recommendations for Council to consider for affordable housing, whether retrofits of existing buildings or new builds, to be started and/or completed within this term of Council, with financing / long term debenture options and preferred locations potentially on municipally owned properties.

Comments

On January 22, 2024, Administration received an email regarding COCHI Residual 2023-24: Opportunity for business case submission that was due for submission by February 5, 2024, by 5 p.m. This was an opportunity to enable the Municipality of Chatham-Kent to submit one top priority project with a funding cap of \$5 million dollars for the Ministry of Municipal Affairs and Housing (MMAH)'s consideration of COCHI Residual funding allocation for 2023-24. Business cases had to be for construction-ready/repair-ready priority projects where funding can be committed within the 2023-24 fiscal year.

After reviewing the details of the funding opportunity, Administration determined the 55 Minnie Street, Wallaceburg project would be the best choice to select for the business case at the time to enable maximizing the grant funding opportunity. A pre-design, feasibility and costing process had already been completed for a three-storey 43-unit and four-storey 58-unit build options. On March 6, 2024, Administration received notice from MMAH that the business case submission was approved for an amount of \$4,074,560.

However, upon further review of existing surrounding infrastructure during the servicing review process it was determined that 55 Minnie Street is anticipated to need major improvements to the surrounding underground facilities (water, wastewater and storm water) to facilitate this development, estimated to cost up to \$7M. Engineering staff would also be required to prioritize these infrastructure improvements over other scheduled projects in 2025-2026 to ensure completion of this project as per the COCHI funding agreement. Due to infrastructure funding, resources, and time constraints, as well as the 199 Westcourt Boulevard, Wallaceburg project further in the development process, Administration decided to contact MMAH to review using this funding towards the 72-unit Westcourt project instead of the Minnie Street project. New additional information, such as development timelines and recommendations outlined in this report have been provided to MMAH for their review of Administration's request to reassign these funds. Administration expects to receive final MMAH approval for this change request soon.

Administration detailed in the submitted business case that Chatham-Kent is a rural, single-tier municipality made up of small urban centres with the City of Chatham as the municipal centre. Wallaceburg, Ontario is the second largest urban centre with a population of approximately 10,000 people. There has been no new Community Housing built (or MMAH program funding received) in Wallaceburg since funding was provided through the Ontario Housing Corporation in the 1980s.

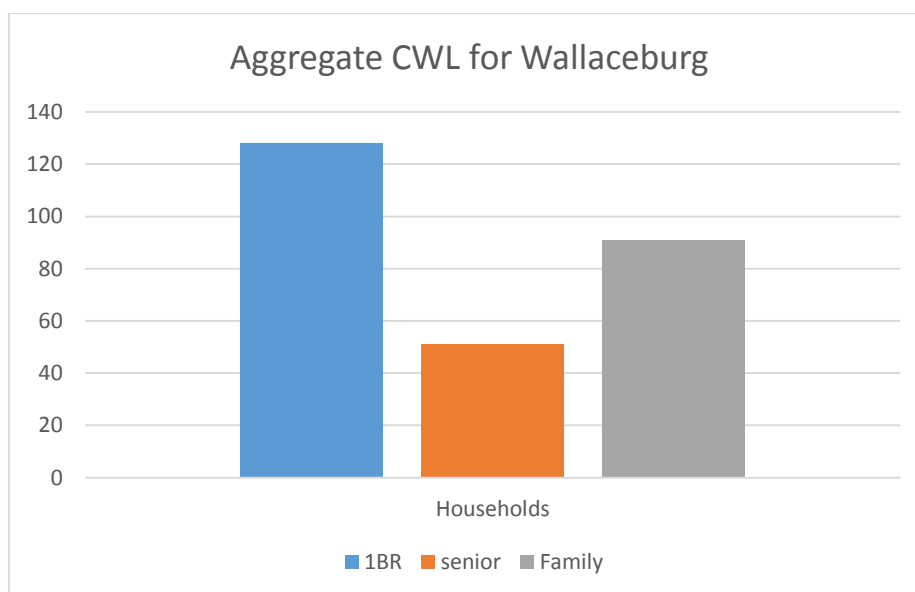
In June 2024, Chatham-Kent's Centralized Waiting List (CWL) of households in need of affordable housing increased from 1,153 in May to now 1,198 households. If this degree of growth continues, Chatham-Kent could be at an unprecedented 1,300 households on the CWL by end of 2024. With a population of approximately 10,320 people¹, Wallaceburg is the second largest urban centre located in the Municipality of Chatham-Kent. At present, 23% or at least 270 of the 1,198 current households on the waiting list are looking for units in Wallaceburg.

To provide greater detail on Wallaceburg's Centralized Waiting List (CWL) of households:

- 19% (51) are seniors (adults over the age of 65) needing one-bedroom units,
- 47% (128) are adults under the age of 65 needing one-bedroom units,
- 34% (91) are family households in need of multi-bedroom units.

Figure 1 further illustrates the demand for community housing in Wallaceburg by unit type.

Figure 1: Demand for Community Housing by Unity Type

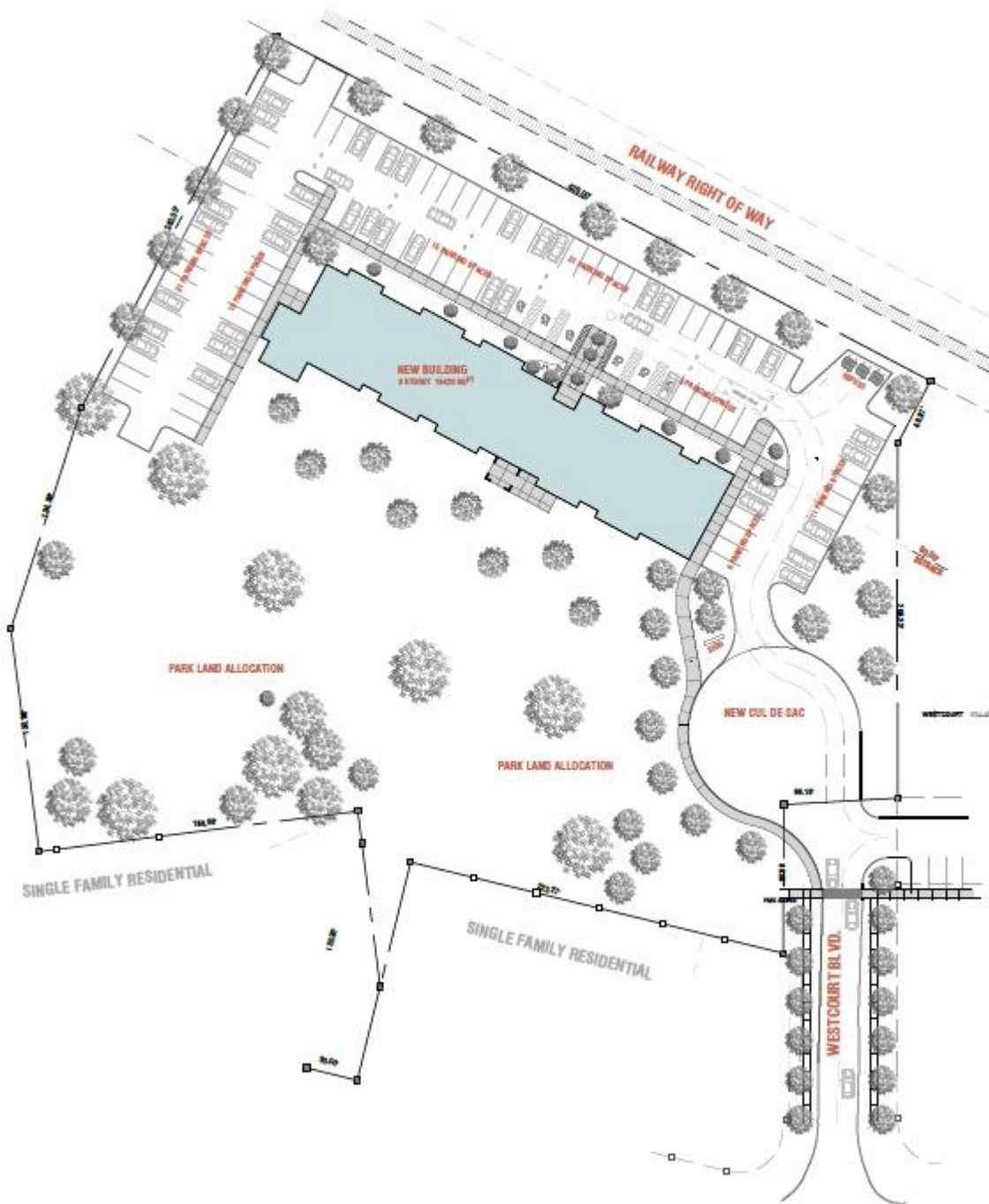


Administration identified that 199 Westcourt Boulevard in Wallaceburg is a vacant lot owned by the municipality. It abuts "single family dwelling" neighbourhoods, Municipality of Chatham-Kent owned community social housing and will be adjacent to a new community park. As owner of the property, the Municipality of Chatham-Kent intends to develop up to a five-storey Community Housing building containing 37 one-bedroom, 25

¹ <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=wallaceburg&DGUIDlist=2013A000435017,2021S05100999&GENDERlist=1&STATISTIClist=1&HEADERlist=0>

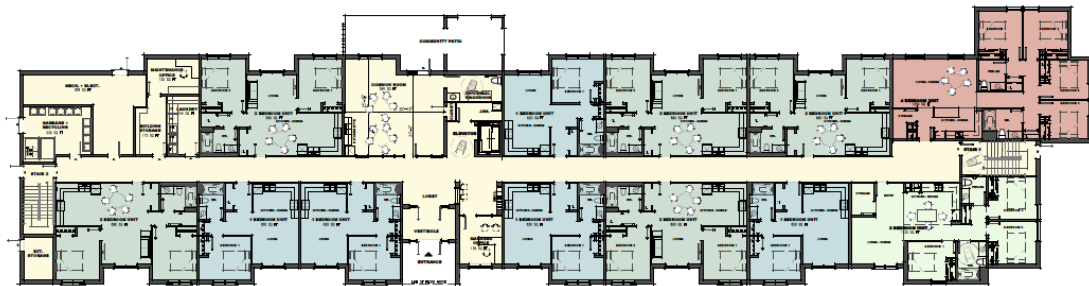
two-bedroom units, 5 three-bedroom units and 5 four-bedroom units. Each floor will have a common shared terrace and the building contains an elevator. Figure 2 below and attached Appendix 1 shows the site-plan of the development.

Figure 2: 199 Westcourt Boulevard, Wallaceburg Site-Plan



The building will feature a common room that will help tenants access rotating community programming and provide the opportunity to engage with other tenants and build a sense of community at the building. There will be an office available for the use of Tenant Relations Case Managers and their in-situ clients. The building offers 1.5 parking spaces/unit and features coin operated laundry rooms on each floor. The building is an appropriate distance from Wallaceburg's downtown core and close to community transportation, schools, and a grocery store. Figure 3 below and attached Appendix 2 shows the floor plan of the development.

Figure 3: 199 Westcourt Boulevard, Wallaceburg Floor Plan



SCHEMATIC FLOOR PLAN : LEVEL 1



SCHEMATIC FLOOR PLAN : LEVEL 2-5

As need spans the entire rental housing continuum in Wallaceburg, Chatham-Kent intends to offer units designated as 1/3 “Attainable Market Rentals” charging Average Market Rent (AMR), 1/3 “Affordable Rentals” charging 80% of AMR and 1/3 Deeply Affordable units with rents priced at the “maximum shelter allowance” rate provided under the Ontario Works Act and its Regulations. Estimated operating costs for a 72-unit apartment building would be covered by rental revenues, except for any required financing costs. For the build to be operationally self-sufficient, 1/3 of the units were targeting attainable market rent to provide increased revenue as well as meet community demand.

Due to the compressed timing Canada-Ontario Community Housing Initiative (COCHI) and Year-End Reallocation – Additional Funding Allocation for 2023-24 funding requirements, Administration is recommending authority to award the successful design proponent be delegated to the Chief Administrative Officer, up to 7% of the construction value estimation for the full design services for the development of a 72-unit affordable housing development at 199 Westcourt Boulevard, Wallaceburg, ON. These soft costs

are based on the amounts received from the feasibility study plus the current cost ratio (7% of capital costs) for architectural design and engineering drawings. Construction costs were determined by Class C costing conducted by an architectural firm after they had completed site planning and a preliminary design. Normally under the purchasing bylaw, such an award would be made by Council. However, in the context of this matter, specifically the tight timelines required to move this project forward, this one-time delegation is recommended.

Administration is recommending that the 199 Westcourt Boulevard, Wallaceburg affordable housing Net Zero ready project be submitted to several grants such as the Federation of Canadian Municipalities (FCM) for consideration for the [Green Municipal Fund](#). This Funding is stackable with CMHC's Co-Investment Fund and other initiatives of the National Housing Strategy, as well as programs available through the province. Administration believes the 199 Westcourt Boulevard, Wallaceburg project will be a perfect match for these programs, however funding is not guaranteed and likely will only be a portion of the funding required.

Chatham-Kent Parks will be considering the cost of building a community park adjacent to the housing building and will be including in future budget updates.

Council Term Priorities

This report supports the following Council Term Priorities:

			
Deliver Excellent Service	Promote Safety & Well-Being	Grow Our Community	Ensure Environmental Sustainability
		1.a-d	1.

Consultation

The General Manager, Community Human Services and the General Manager, CFO/Treasurer, Director, Financial Services were consulted to discuss funding options and strategies for the development of this affordable housing project.

The General Manager, Infrastructure Services, General Manager, Development Services, Director, Engineering, Chief Building Official &

Director, Building Development Services, and Manager, Engineering were consulted to discuss servicing requirements and strategies to enable the development of this affordable housing project.

The Director, Parks, Fleet and Facilities, Managers, Facilities and Program Managers, Housing Services have reviewed the contents and support the recommendations of this report.

The Director, Legal Services was consulted on the procurement process.

Communication

Once the finalized design is completed, our communication process will begin to engage the community to provide information and ongoing updates on the project. This process will provide timelines and what the community can expect to see throughout the stages of the construction process. Various forms of communication methods will be utilized such as letters to affected residents, social media posts, Let's Talk CK, information posted on the municipal website, public meetings, etc.

Once a proposed development process has been Council approved, project details will be communicated to the public through the Let's Talk CK webpage. The directly affected property owners will receive a letter prior to construction informing them of the project, including frequently asked questions and contact information for the Contractor, Consultant, and the Municipality.

Diversity, Equity, Inclusion and Justice (DEIJ)

Housing Services practices are informed by a Diversity, Equity, Inclusion, and Justice lens. Racialized, Indigenous, 2SLGBTQIA+, newcomer groups, and people with lower incomes are overrepresented in the overall number of those experiencing homelessness. There may be many barriers these groups face, including discrimination, generational trauma resulting from colonization, and language barriers, to name a few. Lack of adequate, attainable, and stable housing impacts mental and physical health and wellbeing and all other aspects of people's lives. Providing individuals and families with adequate, stable housing may contribute to life stabilization, and help support marginalized groups to have access to opportunities for wellbeing, which contributes to a healthier and stronger community.

Financial Implications

Funding for the 199 Westcourt, Wallaceburg affordable housing development is recommended to come from a combination of funding sources. Any infrastructure development requirements of servicing the property would be considered in future capital budgets or reports to Council, or the 2025 Budget Update Process. Applications to FCM, CMHC and other upper-level government funding programs Fund will potentially offset some of the construction costs.

Remaining Capital Funding for this Municipality of Chatham-Kent owned and operated development of the 199 Westcourt Boulevard, Wallaceburg site will require a debenture in the future, funded from the base budget. Administration will continue to work on upper-level grants to reduce the financing requirement of this development.

Council will be required to approve the future tender and at that time a more detailed financing plan will be included.

Prepared by:

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Reviewed by Acting CAO:

Gord Quinton, MBA, CPA, CGA, Chief Financial Officer/Treasurer

Consulted and confirmed the content of the consultation section of the report by:

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Attachments:

Appendix 1. 199 Westcourt Blvd site plan
Appendix 2. 199 Westcourt Blvd floor plan