

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: July 15, 2024

Subject: Affordable Housing Build Redwood Crescent & Eugenie Street Chatham,
ON – RFP for Design

Recommendations

It is recommended that:

1. Administration be authorized to issue a Request For Proposal (RFP) for the full design and engineering services for a 5-unit family affordable housing development at 24-28 Redwood Crescent, Chatham, ON and a 6-unit family affordable housing development on Eugenie, Street, Chatham, ON.
2. Administration be authorized to use the projected \$360,043 uncommitted balance of Affordable Housing Reserve #17315. This funding source to be used for expenses related to the 24 & 28 Redwood Crescent and Eugenie Street, Chatham Affordable Housing developments.
3. The use of Chatham-Kent's 2024-2025 Canada Ontario Community Housing Initiative (COCHI) & Ontario Priority Housing Initiative (OPHI) Year 6 allocations for a total of \$1,600,085, be approved as a contribution towards the total combined 11 family unit affordable housing developments at these Chatham locations:
 - a. 2024-2025 COCHI of \$1,117,580 for a 5-unit family affordable housing development at 24 & 28 Redwood Crescent, Chatham.
 - b. OPHI Year 6 of \$482,505, for a 6-unit family affordable housing development at Eugenie Street, Chatham.
4. That the General Managers of Health and Human Services and Infrastructure and Engineering be authorized to enter into a Contribution Agreement that assigns 2024-2025 COCHI and OPHI Year 6 funding to the projects per Ministry of Municipal Affairs and Housing (MMAH) COCHI and OPHI program guidelines.

5. The Director, Legal Services be authorized to sign any agreements or documentation necessary to facilitate an easement through the transmission corridor for a trail connecting Redwood Crescent and Jaycette Park.

Background

Administration has been working developing affordable housing throughout the Municipality of Chatham-Kent, especially on Municipality of Chatham-Kent owned and underutilized land parcels. This development process has been identified in previous reports to Council;

- *December 20, 2021 Recommendations to Encourage and Develop Affordable Housing in Chatham-Kent,*
- *November 6, 2023 Chatham-Kent's Affordable Housing Development Progress 2023,*

This report and recommendations 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 June 27, 2024, Administration received an email regarding 2024-25 Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) Allocation letter to confirm Chatham-Kent's funding allocations for the National Housing Strategy (NHS) programs.

Administration has determined the best use of the \$1,176,400 COCHI and \$507,900 OPHI funding would be to develop a new family housing builds comprised of a mixture of affordable, deeply affordable, and attainable market units on two vacant and underutilized municipally owned land parcels in Chatham.

In May 2024, Chatham-Kent's Centralized Waiting List (CWL) of households in need of affordable housing increased from 1,103 to 1,153 households. If this degree of growth continues, Chatham-Kent could be at an unprecedented 1,300 households on the CWL

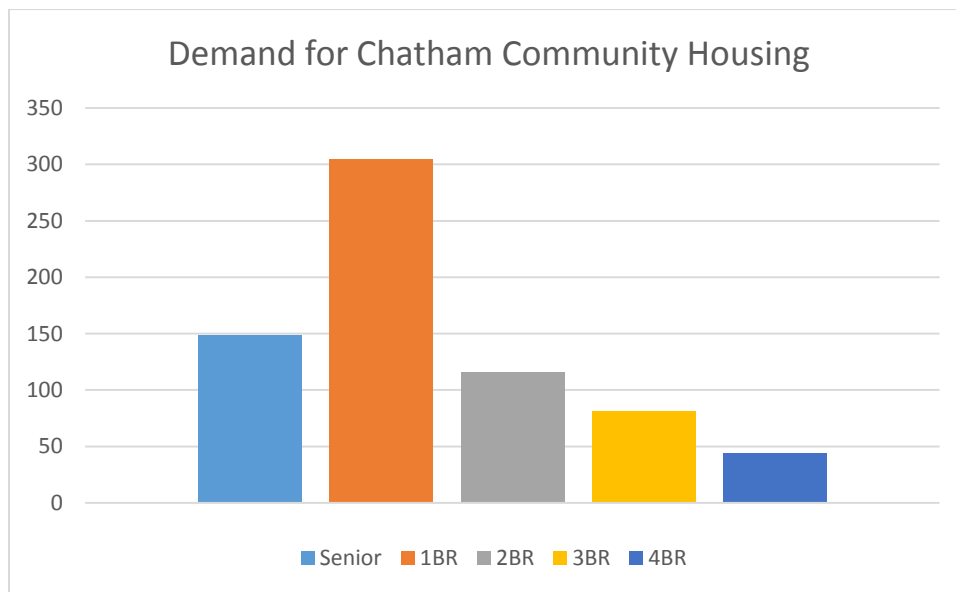
by end of 2024. With a population of approximately 45,171 people¹, Chatham is the largest urban centre located in the Municipality of Chatham-Kent. At present, 60% of the 1,153 current households on the waiting list are looking for units in Chatham.

To provide greater detail on Chatham’s Centralized Waiting List (CWL) of households:

- 21% (149) are seniors (adults over the age of 65) needing one-bedroom units,
- 44% (304) are adults under the age of 65 needing one-bedroom units,
- 17% (116) are adults under the age of 65 needing two-bedroom units,
- 18% (125) are family households in need of three and four-bedroom units.

The community has experienced increasing need for multi-bedroom family units and Figure 1 further illustrates the demand for community housing in Chatham by unit type.

Figure 1: Demand for Community Housing by Unity Type



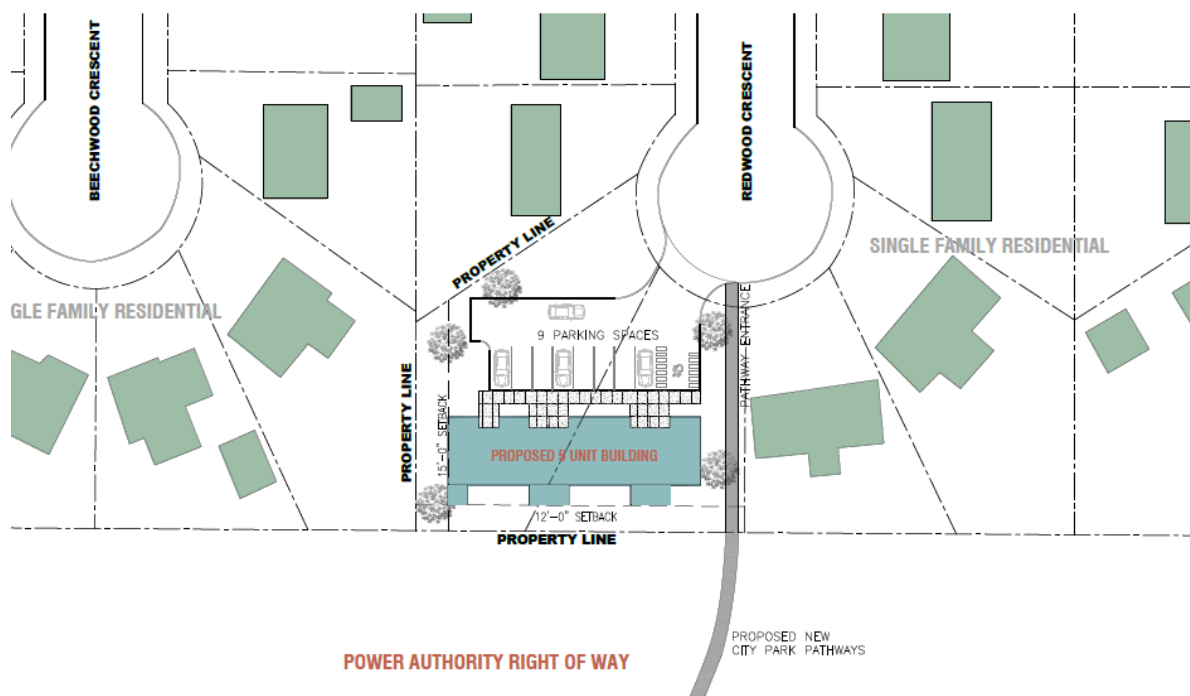
A pre-design, feasibility and costing process has already been completed for a five-unit development on Redwood Crescent, Chatham and six-unit development on a approximately 0.42 acre or 0.17 hectare portion of underutilized land in Jaycette Park on Eugenie Street, Chatham. Construction costs were determined by Class D costing conducted by an architectural firm after completed feasibility site planning and a preliminary design. Estimated operating costs for the five and six-unit projects will be offset by rental revenues which will not require additional tax levy base budget operational funding. In order for the builds to be operationally self-sufficient,

¹ <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=chatham&DGUIDlist=2013A000435017,2021S05100167&GENDERlist=1&STATISTIClist=1&HEADERlist=0>

approximately one-third of the units are targeting attainable market rent to provide necessary operational revenue as well as meeting community demand.

Administration identified that 24 & 28 Redwood Crescent in Chatham are vacant lots owned by the Municipality and combined are approximately 0.44 acre or 0.18 hectare. They abut “single family dwelling” neighbourhoods and are zoned OS1 with zoning description Open Space. As the owner of the property, the Municipality of Chatham-Kent intends to develop a family five-unit two-storey Community Housing building containing three three-bedroom and two four-bedroom units. Three-bedroom units average 117 square meters, and four-bedroom units average 131 square meters in size. Figure 2. Below shows the proposed Redwood Crescent site plan and pathway to connect to Jaycette Park.

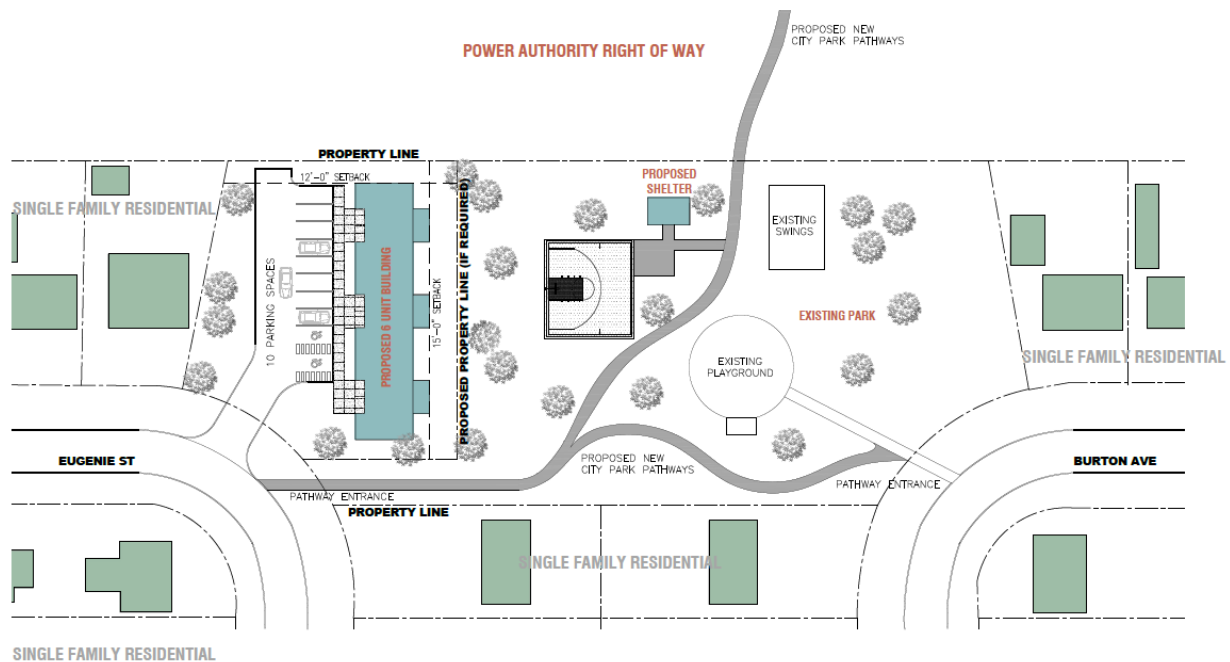
Figure 2: Redwood Crescent, Chatham Family 5-unit Housing Development



As part of the development process, Administration recommends expanding Jaycette Park infrastructure, consistent with the forthcoming Parks & Recreation Master Plan update, to create a vibrant and welcoming space by incorporating amenities tailored to the needs of residents. Primarily, the initiative will involve the installation of a small basketball/multi-use court, catering to the recreational needs of the youth in the neighborhood. This addition not only promotes physical activity and healthy lifestyles but also fosters a sense of community engagement and social cohesion. In addition to the basketball/multi-use court, the enhancements will introduce a small pavilion with picnic facilities, providing residents with inviting spaces for relaxation, socializing, communal gatherings, and the ability to enjoy the outdoors in a safe and healthy manner and with protection from harmful UV exposure.

Furthermore, the enhancement of the park will include the strategic planting of trees and pollinator-friendly plants. This ecological component not only contributes to the beautification of the park but also serves to improve the local environment. By emphasizing the conservation of rainwater and promoting sustainable landscaping practices, such as native plantings and permeable surfaces, the project aligns with principles of environmental stewardship and resilience. Through these integrated efforts, the project aspires to not only enhance the physical infrastructure of the park but also to create a dynamic and sustainable community space that fosters health, cultivate a sense of community belonging, well-being, and environmental consciousness among residents of all ages and backgrounds. Figure 3. Below shows the proposed Eugenie Street site plan, park enhancements and pathway to connect Eugenie Street to Jaycette Park.

Figure 3: Eugenie Street, Chatham Family 6-unit Housing Development



Administration recommends constructing a family six-unit two-storey Community Housing building containing four three-bedroom and two four-bedroom units at this location. Both builds offer 1:1.5 parking spaces/unit and are close to community transportation, schools, and a community park.

In addition, Administration is working on an agreement process to implement an easement request with Hydro One through their corridor that would connect the residents of Redwood Crescent and surrounding neighbourhoods with accessibility to Jaycette park. The transmission corridor lands are owned by the Province of Ontario, as represented by the Minister of Infrastructure (MOI). Hydro One works closely with Infrastructure Ontario (IO), who is an agent for MOI, to administer the Provincial Secondary Land Use Program (PSLUP). To initiate an application for a secondary land use (SLU) on the transmission corridors, Administration must submit detailed design

plans for Hydro One and Infrastructure Ontario to conduct a technical review. SLUs will only be permitted where they are determined to not impact Hydro One’s current or future operational needs and are considered to be safe. Notably, Hydro One will need to see where their transmission structure is in relation to the proposed pathway, and to see any proposed grading or drainage alterations on the corridor.

Appendices 1-13 attached to this report provide the pre-design site plans, floor plans and 3-D rendered drawings for the projects. In addition, linked to the Municipality of Chatham-Kent’s Let’s Talk webpage is a 3-D rendered video.

As housing need spans the entire rental housing continuum in Chatham, Chatham-Kent Housing Services intends to offer three units designated as “Attainable Market Rentals” charging Average Market Rent (AMR), four units designated as “Affordable Rentals” charging 80% of AMR and four units designated as “Deeply Affordable units” with rents priced at the “maximum shelter allowance” rate provided under the Ontario Works Act and its Regulations.

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	

Consultation

The Chief Administrative Officer, General Manager, Health and Human Services, General Manager, CFO/Treasurer and Director, Housing Services - Operations were consulted to discuss funding options and strategies for the development of these affordable housing projects.

The Director, Parks, Fleet & Facilities and the Manager, Parks, Recreation & Cemeteries have reviewed the contents of this report and support the recommendations of this report.

The Director, Legal Services has reviewed the contents of this report and support the recommendations of this report.

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

The Manager, Housing Assets South has reviewed the contents of this report and supports the recommendations of this report.

Financial Analyst I, Corporate Accounting has reviewed the contents of this report and supports the financial information used in this report.

Communication

Once the finalized design is completed, the 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 a community engagement session with the neighbouring residents, letters to any affected residents, social media posts, Let's Talk CK, information posted on the Municipal website and project update reports to Council.

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 designs of the 24 & 28 Redwood Crescent and Eugenie Street, Chatham affordable housing developments are to come from the recommended funding sources listed below in Figure 4. Any infrastructure development requirements of servicing the property would be considered in future capital budgets or reports to Council.

Administration will continue to work on upper-level grants to reduce the base budget and reserve financing requirements of this development.

Figure 4. Capital Projects Redwood Crescent & Eugenie Street, Chatham Funding Sources

Capital Projects: Redwood Crescent & Eugenie Street, Chatham	Estimated Cost	Description
Design and Construction	\$4,600,000	11-unit affordable build
Source of Funding	Funding Amount	Description
Province: COCHI 2024/25 Funding	\$1,117,580	Net amount of Total allocation is \$1,176,400 less 5% Admin allocation of \$58,820
Province: OPHI Year 6 Funding	\$482,505	Net amount of Total allocation is \$507,900 less 5% Admin allocation of \$25,395
Federal: CMHC Affordable Housing Fund	\$600,000	Application In-Process
Municipal: Reserve	\$360,043	Affordable Housing Reserve #17315 estimated uncommitted 2024 balance
Municipal: 2025 Affordable Housing Base Budget (proposed)	\$1,307,419	Subject to 2025 Budget Process Approval
Municipal: 2026 Affordable Housing Base Budget (proposed)	\$732,453	Subject to 2026 Budget Process Approval
Total Funding Amount	\$4,600,000	

Prepared by:

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Reviewed by:

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

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

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Joshua Myers, CPA, CA, Program Manager, Housing Services

Beth Cowan, Financial Analyst I, Corporate Accounting

Alain Sasseville, Manager, Housing Assets South

Ian Clark, Manager, Parks, Recreation & Cemeteries

Attachment(s):

Appendix 1. Redwood Crescent and Eugenie Street - Site Plan

Appendix 2. Redwood Crescent and Eugenie Street – 3D render overall 1

Appendix 3. Redwood Crescent and Eugenie Street – 3D render overall 2

Appendix 4. Redwood Crescent - 3D render 1

Appendix 5. Redwood Crescent - 3D render 2

Appendix 6. Redwood Crescent - 3D render 3

Appendix 7. Redwood Crescent - 3D render 4

Appendix 8. Redwood Crescent - 3D render 5

Appendix 9. Eugenie Street - 3D render 1

Appendix 10. Eugenie Street - 3D render 2

Appendix 11. Eugenie Street - 3D render 3

Appendix 12. Eugenie Street - 3D render 4

Appendix 13. Eugenie Street - 3D render 5