

Request for Decision

Updates to Housing Services Act, 2011

Presented To: Community Services Committee

Presented: Monday, Dec 02, 2019

Report Date: Friday, Nov 15, 2019

Type: Managers' Reports

Resolution

THAT the City of Greater Sudbury approves the recommendations as outlined in the report entitled "Updates to Housing Services Act, 2011" from the General Manager of Community Development, presented at the Community Services Committee meeting on December 2, 2019.

Relationship to the Strategic Plan / Health Impact Assessment

This report supports Council's Strategic Plan in the area of Housing as it aligns with the Population Health Priority of Housing, Holistic Health, and Age-Friendly Strategy.

Report Summary

This report provides information regarding recent amendments to the Housing Services Act, 2011 by the Ministry of Municipal Affairs and Housing and amendments to local rules to reflect provincial legislation as part of the Community Housing Renewal Strategy.

Financial Implications

The costs associated with the legislative changes for the new rent-geared-to-income calculation for 2020 are funded within the proposed 2020 operating budget. The 2021 operating budget will reflect future financial needs for rent-geared-to-income.

Signed By

Report Prepared By

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Health Impact Review

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Manager Review

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Division Review

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Financial Implications

Liisa Lenz
Coordinator of Budgets
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Recommended by the Department

Steve Jacques
General Manager of Community Development
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Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Nov 20, 19

Purpose

The purpose of this report is to present substantial amendments to the *Housing Services Act (HSA), 2011* and its regulations: *Ontario Regulation 367/11: General* and *Ontario Regulation 298/01 Determination of Geared-to-Income Rent under Section 50 of the Act*. In addition, this report seeks direction from Community Services Committee to prepare an implementation plan for local rule amendments and for one of two potential dates identified from the province as it relates to new rent geared-to-income (RGI) rent calculations procedures.

In Fall 2019, the Ministry of Municipal Affairs and Housing has undergone recent legislative changes to the HSA in regards to calculating household RGI rent amounts, ensuring community safety for housing providers, improving the centralized waitlist, and offering the option to Service Managers to allow transfers amongst community housing providers.

Background

In 2013, City Council had passed By-Law 2013-180 which had provided delegated authority to Housing Services for establishing local rules in which the *Housing Services Act, 2011* provides this power to local Service Managers. In its capacity as Service Manager, the City of Greater Sudbury Housing Services Section researches related legislation & provincial service standards when local rules are established to ensure compliance with provincial legislation and best practices are exercised to meet the needs of residents living in community housing.

Summary of Legislative Changes

Rent Geared-to-Income (RGI) Calculations

Under the current HSA, *Ontario Regulation 298/01: Determination of Geared-to-Income Rent Under Section 50 of the Act* outlines specific rules and processes in regards to Service Managers and housing providers conducting RGI rent calculations for RGI households. Under current legislation, property managers calculate rental income for households on a monthly basis by using income verification documents where monthly income is calculated by determining the monthly gross income and multiplying by 30% (+/- utility adjustments). This calculation practice also ensures that those households who have fluctuating incomes are not over or undercharged. In adaptation, households were required to notify their respective housing providers of any decrease or increase in their income within thirty (30) days. The Province found this method of calculation was administratively burdensome for housing providers as it was difficult for housing providers to collect monthly income verification documents from households on a monthly basis and several housing providers had to complete complex rent calculations.

Under new legislation (*Ontario Regulation 316/19*), the Province is implementing a new rent calculation method where all RGI household rents are being completed once on

an annual basis using annual family net income on notices of assessments for the relevant taxation year. The Province will allow Service Managers to complete in-year reviews only for specific circumstances (e.g. permanent changes to household income, a decrease of 20% in income, etc.) and households will no longer be required to report an increase in income before their next annual review. Other substantial changes include minimum rent increasing from \$85/month to \$129/month and length of time RGI households can pay market rent before losing eligibility for assistance being extended from 12 to 24 consecutive months. It is important to note that monthly rent amounts on social assistance scales and utility scales will remain the same. These mandatory changes to legislation will take effect on **July 1st, 2020**.

Refusal of a Unit by Housing Provider

Under the current HSA, *Ontario Regulation 367/11 sections 50 and 77*, the Province outlines specific circumstances in which a housing provider may refuse to offer a unit to a household as it relates to housing provider's specific mandates, household rental history, household's not agreeing to uphold their responsibilities, shared living situations, and level of support services not meeting household needs. Service Managers were given the delegated authority to develop their own local rules where housing providers could refuse to offer a unit to a household.

Under new legislation, the Province amended this regulation to establish an additional ground where a housing provider may refuse to offer a unit to a household that was previously evicted from any HSA-governed housing project through an order of the Landlord and Tenant board based on serious illegal activities within the past five years. These legal activities include: production, trafficking, or possession for the purpose of trafficking an illegal drug (including cannabis), physical violence/harm or attempted physical violence/harm against another person, human trafficking, or the use of threats, intimidation or harassment towards another person. It is important to note that a housing provider may refuse to offer a unit to a household only where there are reasonable grounds for safety concerns.

These legislative changes were effective immediately when they were announced in September 2019 and a new local rule (*Social Housing Notification 19-03: Refusal of a Unit by Housing Provider*) has already been implemented to all housing providers in the community housing portfolio.

Refusal of Offers and Household Preferences

Under current legislation in the HSA, *Ontario Regulation 367/11 section 39*, Service Managers were given the authority to establish a local rule to allow households to be entitled to three offers of accommodation before their file is cancelled and have to submit a new application to be placed on the centralized waitlist.

Under new legislation, the regulation is amended to establish a new provincial rule in which a household would no longer be eligible for RGI assistance if a household refuses only one (1) suitable offer from a housing provider for a unit that meets the Service Manager's local occupancy standards. In order to ensure households respond to offers

of accommodations, they will be required to inform the Service Manager of their housing provider selection preferences. It is important to note that Service Managers may determine that a household remains eligible after they refuse an offer of accommodations under extenuating circumstances. Housing Services' has a current structure of the waitlist in place to determine the order of applicants on the waitlist as it is outlined in the HSA.

These mandatory legislative changes will take effect on **July 1st, 2020**.

Tenant Transfers between Housing Providers

Under current legislation in the HSA, *Ontario Regulation 367/11*, a household receiving RGI assistance who desired to transfer to another housing provider had to apply to the Service Manager to be added to the centralized waitlist.

Under new legislation, this regulation will be amended for RGI households wishing to transfer to another unit at a different housing provider in the same service area is no longer required to apply to be added to centralized waitlist but still require Service Manager approval. The Province is providing delegated authority to Service Managers to develop their own processes for managing these types of transfers should they wish to change their transfer policies.

CGS Housing Services will amend *Social Housing Notification 15-09: Wait List Management Modified Chronological* and maintain the currently existing process in order to ensure equitable treatment of all households and this will take effect **January 1st, 2020**.

Next Steps

Housing Services staff will amend its related local rules to ensure they are in compliance with the recent changes in provincial legislation, and provide training for Social Housing Property Managers to ensure smooth transition of the application of new rent/housing charges. This includes the amendments of all affected policies and notification to housing providers and tenants.

References

Housing Services Act, 2011

<https://www.ontario.ca/laws/statute/11h06>

Ontario Regulation 367/11: General

<https://www.ontario.ca/laws/regulation/110367>

Ontario Regulation 298/01: Determination of Geared-to-Income Rent Under Section 50 of the Act

<https://www.ontario.ca/laws/regulation/010298>

Appendix A: Proposed Changes to Local Rules

Policy Title	Policy
<p>CGS Housing Services RGI Rent Calculation Guide</p> <p>Occupancy Standards for Rent-Geared-to-Income Households</p>	<ul style="list-style-type: none"> • Change in the determination of rent calculations from monthly rent calculations based on gross employment income to net annual income from federal Income Tax documentation. • Rent will be 30% of adjusted family net income. Rent amounts are to be the same each month throughout the year and only one in-year review may be completed under specific circumstances (e.g., permanent decrease of 20% or more in household income or change in household composition). • All tenants in full-time studies will have their income exempt from calculations. • Require all household members whose income is to be included in the rent calculation to now file their income taxes annually as a condition of continued eligibility. • Extension of length a household can pay market rent before losing RGI eligibility from 12 months to 24 months. • Portable housing benefit rent calculations will follow the same framework. • All new households who begin to receive RGI assistance after July 1st, 2020 will be subject to the indexed minimum rent applicable at the time of review to \$129/month (currently \$85/month). • To moderate this impact, the Ministry has developed a multi-year phased in approach which CGS Housing Services will adopt: • For households who pay rent less than \$129/month as of July 1st, 2020: <ul style="list-style-type: none"> • Phased-in minimum rent will be \$93/month as of July 1st, 2020 and will increase by \$8/month each year until reaching the indexed minimum rent for new households of \$129/month. • All other households receiving assistance as of July 1st, 2020 (other than certain benefit units) will be subject to the indexed minimum rent applicable at the time of review.

<p>Refusal to Offer a Unit by Housing Provider</p>	<ul style="list-style-type: none"> • A housing provider may refuse to offer a unit to an applicant if they were evicted from any HSA-governed housing provider by the Landlord and Tenant Board (through FORM N6) for an illegal act in the past five (5) years and the housing provider has reasonable grounds to believe the household will pose a risk to the safety of others in the housing project. Illegal acts are: <ul style="list-style-type: none"> • An illegal act, trade, business or occupation • Illegal production, distribution or sale of cannabis • Human trafficking • Use or attempted use of physical violence against another person • Physical harm, attempted physical harm, or a risk of physical harm to another person, or • Use of threats to, intimidation of, or harassment of another person. <p>Any housing provider refusals will still need to be communicated to the Housing Registry.</p>
<p>Ineligibility due to Refusal of Unit Offers</p> <p>Occupancy Standards for Rent-Geared-to-Income Households</p> <p>Overhoused Households</p> <p>Waitlist Management Modified Chronological</p> <p>Urgent Status on Centralized Waitlist</p>	<ul style="list-style-type: none"> • A household is no longer eligible for RGI assistance if it refuses an offer for RGI assistance, except in extenuating circumstances as determined by the Service Manager (e.g., a household offered a unit with accessibility modifications). • Households will need to indicate their preferences for housing provider selections. If the household does not indicate a preference, the preference will be deemed to be any community housing project in the Service Manager's area. • The rule will apply to all applicants on the centralized waitlist, including special priority applicants. • The rule does not apply to offers for a portable housing benefit. • Urgent Status applicants will only be entitled to one refusal of accommodations before they lose their place on the waitlist.
<p>Wait List Management Modified Chronological</p>	<ul style="list-style-type: none"> • To ensure fair and equitable treatment of all households, the Service Manager will not be allowing tenant transfers between community housing providers. • Tenants wishing to move to other housing providers projects will need to apply through the Housing Registry and be placed on the centralized waiting list with a new date of application.