

## For Information Only

### Review of the Housing Services Act

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### Recommendation

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### Background

In November 2010, the Province introduced its Long Term Affordable Housing Strategy (LTAHS) with a view of setting out the Province's vision for housing in Ontario. A main focus of the Strategy is to transform the way housing and homelessness services are delivered in order to achieve better outcomes for people. In addition, the LTAHS reaffirmed the Province's devolution of housing and homelessness programs to the municipal sector.

Key components of the Strategy include:

1. a commitment to consolidate the funding and administration of provincial housing and homelessness programs
2. a requirement for the creation of local 10 year housing and homelessness plans
3. revising or replacing the current rent-geared-to-income system with a streamlined income tax based system
4. a commitment to a series of performance measures, including the Ontario Housing Measure and the Rental Affordability Indicator which will be reported on by the Province as well as social housing tenant satisfaction surveys and other local metrics to be reported on by municipalities in order to track progress in meeting local needs

These are seen as integral tools in providing municipalities with greater flexibility to address local needs.

As a means of implementing the Strategy, the Province introduced new legislation to replace the Social Housing Reform Act, 2000 (SHRA). It was felt that legislative changes were needed to the SHRA in order to address complexities associated with the funding and administration of social housing, streamline administrative requirements and ensure appropriate accountability measures were in place. The Province also amended the Planning Act in order to allow secondary suites in traditional single unit dwelling neighborhoods.

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In August 2011, the Province also issued the Ontario Housing Policy Statement (OHPS). The Statement is intended to provide additional policy context and direction to municipalities and Service Managers to support the development of locally developed housing and homelessness plans.

The OHPS identifies seven (7) important areas of provincial interest which municipalities must have regard in developing their local plans. These will be described later in this report.

## **Current Status**

A key to the implementation of the LTAHS and the OHPS was new legislation. To that end, the Social Housing Reform Act 2000 (SHRA) was repealed effective January 1, 2012, and replaced with the Housing Services Act, 2011 (HSA) and related regulations. The HSA was designed to clarify the roles and responsibilities of the Province and municipalities with respect to housing and homelessness planning and programs. In general, the purpose of the HSA is:

- to provide for community based planning and delivery of housing and homelessness services with general provincial oversight and policy direction: and
- to provide flexibility for municipalities and housing providers while retaining provincial requirements with respect to housing programs that predate the Act and to housing projects that are subject to these programs.

Key features of the Housing Services Act, 2011, are highlighted below.

### Housing Programs

The HSA completes the devolution process begun under the previous legislation. It maintains the existing funding and administrative responsibilities conveyed by the Province under the SHRA. This includes on-going reporting to the Province and adhering to provincial program requirements and standards.

With respect to the CGS relationship with the housing providers, the HSA retains the key reporting and enforcement provisions while providing both municipalities and housing providers with enhanced tools to better deal with problem projects and issues. For example, the Province has delegated certain decision powers to municipalities with respect to establishing local rules and standards which providers must follow.

Municipalities still require Ministerial consent for the sale and transfer of social housing projects. The HSA also explicitly provides that municipalities are responsible for any housing provider related mortgage default costs.

Under the HSA, housing providers must now create local training plans for staff and volunteers along with succession plans for their board members.

There is also a requirement for an enhance review process for applicants and tenants wishing a second review of decisions affecting their eligibility and rent calculations. The new rules regarding the review process are designed to ensure that those making the final decision are not those individuals who participated in the initial decision making process.

Staff training on the various aspects of the HSA is underway. Staff are also working with local housing providers to ensure that they are aware of the new legislative requirements. Further, staff is working closely with local housing providers and stakeholders on the review of local housing rules with a view of bringing these in compliance with the new HSA standards.

### Rent-Geared-To-Income (RGI) Reform

The Province is committed to RGI reform. Currently, social housing tenant rents are based on 30% of gross income for those with employment or pension related incomes. Tenants in receipt of social

assistance (Ontario Works) or the Ontario Disability Support Program (ODSP) have their rents based on a prescribed provincial rent scale which sets their rents at less than the maximum shelter allowance permitted under those programs. For all tenants, rents are adjusted as incomes change and for utilities.

The Province hopes to introduce a new income tax based system that is less complex, easier for tenants to understand and easier for municipalities to administer. They are currently working on several models and will give municipalities an opportunity to provide comment on the proposed new system prior to its implementation.

At this time, it does not appear that the OW/ODSP rent scales or the utility scales will be adjusted. Further, it is unclear what impact the new system will have on program administration and tenant rents. Increases could impact municipal costs and rent subsidies. Impact assessments will be conducted once details of the proposed new system are available.

Staff training for both municipal and non-profit staff will be required prior to making the new system operational. The creation and delivery of information materials for applicants and tenants will also be required.

The Province has not indicated when details of the new system will be available. Municipalities are hopeful that the details of the new system will be known in time to ensure that any projected impacts can be appropriately reflected in the budget cycle.

### 10 Year Housing & Homelessness Plans

The HSA requires that each municipality/service manager develop a 10 year Housing and Homelessness Plan. Details on the Plan requirements have been provided through provincial regulations and the Ontario Housing Policy Statement. All plans are to be in place by January 1, 2014.

In general terms, the Plans are high level strategic plans. They are to treat housing as a whole system and address housing issues across the full housing continuum from eviction prevention programs to full market housing. The Plans should link to other local planning activities like land use planning and Official Plans, homelessness planning, infrastructure planning, human services planning and economic development strategies.

The Plans are not intended to be about existing programs or specific program outcomes. The intent is to provide a more integrated approach to local service provision and planning which will result in better overall people centered results.

The Plan must include four principle components:

1. An assessment of current and future local housing needs.
2. Objectives and targets to address identified housing needs.
3. A description of activities proposed to meet the objectives and targets.
4. A description of how progress will be measured.

Municipalities are required to ensure that their Plans address all matters defined as Provincial Interests in the HSA. The Plan must reflect a system of housing and homelessness services that:

- is focused on achieving positive outcomes for individuals and families
- addresses the housing needs of individuals and families in order to help address other challenges they face
- has a role for non-profit corporations and non-profit housing cooperatives
- has a role for the private market in meeting housing needs
- provides for partnerships among governments and others in the community
- treats individuals and families with respect and dignity

- is co-ordinated with other community services
- is relevant to local circumstances
- allows for a range of housing options to meet a broad range of needs
- ensures appropriate accountability for public funding
- supports economic prosperity
- is delivered in a manner that promotes environmental sustainability and energy conservation

The Plan must also address the policy directions identified in the Ontario Housing Policy Statement. As such, the Plan must reflect:

1. measurable, improved outcomes for individuals and families achieved through increased access to locally relevant programs, services and supports that are coordinated and address identified needs
2. strategies to prevent and to reduce homelessness and assist people who are homeless to find and keep housing and be able to demonstrate that these strategies have a measurable impact on at-risk and homeless individuals and families
3. a community-based approach to social housing which maintains and supports non-profit housing corporations and non-profit housing co-operatives, so that affordable options that exist today will continue to be available in the future
4. a strategy to generate municipal support for an active and vital private ownership and rental market, including second units and garden suites, as a necessary part of the housing continuum including affordable home ownership, where appropriate
5. improved integration of housing and homelessness plans and services with other human services planning and delivery which will result in better outcomes for the people accessing services
6. community integration and diversity by meeting the needs of people with disabilities, victims of domestic violence, seniors and those in other locally defined groups
7. a commitment to improve the energy efficiency of existing and future publicly funded housing stock. This includes support for energy conservation and energy efficiency through operating programs, tenant engagement, housing located near transportation choices, and innovative investment decisions such as the installation of renewable energy and low carbon technologies

There is no new provincial funding available to support new local programs or initiatives. Provincial staff have repeatedly clarified that “addressing” a local housing need does not mean meeting that need in full. The primary objective is to ensure that local Plans are developed in an integrated manner, with consideration given to the housing and homelessness system as a whole, resulting in locally appropriate allocation of the available resources.

CGS staff has begun work on bringing the various aspects of the Plan together. A multi-departmental team is in place reflecting staff from Housing Services, Social Services and Planning Services. Staff from other areas may be added as needed. Consultations with various stakeholders will take place as appropriate.

The timing of the work on the new Plan coincides with the update of the CGS Official Plan and the CGS Affordable Housing Strategy. This provides an opportunity to collaborate on data collection and policy development. Staff will work together with local stakeholders to ensure that both the Official Plan policies and those of the Housing and Homelessness Plan are consistent and mutually supportive.

Further, recent work by CGS Homelessness staff and community groups on the delivery of homelessness services can be added to the Plan ensuring that policies related to homelessness reflect community priorities.

The final Council approved Plan must be in place by January 1, 2014. However prior to Council approving the Plan, the proposed plan must be submitted to the Minister for comment. The Province has committed to providing comments within 90 days. The final Plan approved by Council must reflect consideration of any

provincial comments. The draft Plan will be brought before the Community Services Committee prior to proceeding to Council for final approval.

### Homelessness Funding Consolidation

The Province will consolidate funding and administrative responsibility for a range of housing and homelessness programs, with Phase One of consolidation taking effect January 1, 2013.

Currently, there are more than twenty housing and homelessness-related programs with policy and program responsibilities split across three ministries. These programs have various legislative and policy frameworks and funding relationships. The CGS currently has a funding or administrative role in most of these programs.

The Province committed to consolidating the following homelessness programs as Phase One of consolidation:

- Consolidated Homelessness Prevention Program: which assists those experiencing or at risk of homelessness to find and maintain stable housing and to access a system of supports.
- Emergency Hostel Services: which provides board, lodging and personal needs to homeless persons on a short term basis.
- Domiciliary Hostel Program: which provides permanent housing with limited supports for vulnerable adults who require some supervision and support with daily living activities.
- Provincial Rent Bank: which provides outstanding rent directly to landlords on behalf of tenants who are in short-term arrears and facing eviction.
- Emergency Energy Fund: which assists low-income households facing energy-related emergencies by providing emergency assistance to deal with payment of utilities, security deposits and reconnection fees.

The object of the consolidation is to enable municipalities to use provincial funding in a more flexible manner, reflective of local homelessness related needs and priorities. The Province is working with all stakeholders to establish the consolidation framework and to support a smooth transition to the consolidated program. Funding for the five programs will be consolidated effective January 2013. The actual amount funding the CGS will receive post consolidation has yet to be announced. It is hoped that the program details and funding allocation will be made in time to coincide with the municipal budget process.

As well, the most recent Provincial budget announced that as part of the first phase of program consolidation under the Provincial Long Term Affordable Housing Strategy, the Community Start-Up and Maintenance Benefit (CSUB) is being removed from the social assistance program. A portion of the funding formerly allocated to CSUB is to be included in the new consolidated homelessness program funding envelope to be administered by municipalities.

Staff are working with the local homelessness network, service providers and community stakeholders regarding the upcoming changes. Once all details and funding allocations are known, a plan will be put in place to ensure that households experiencing housing instability continue to receive services as required.

### **FINANCIAL IMPLICATIONS**

At this point in time, the financial implications of the Housing Services Act and consolidation of housing and homelessness program funding are unknown. No new senior level housing and homelessness programs have been announced which would help address waiting list pressures or other local housing needs.

There may actually be future cost increases related to:

- Changes in the rent-geared-to-income calculation rules.

- Program cost increases not adequately captured in the block funding provided by the Province for consolidated programs.

Once program details and impacts are known, these will be reflected through the appropriate budget processes.

### **Next Steps**

Staff, in collaboration with local housing providers and stakeholders, will begin implementing the various aspects of the Housing Services Act. In particular, staff will work with community partners on the development of a 10 Year Housing and Homelessness Plan. The Plan will be brought to the Community Services Committee for review and recommendation to Council.

Staff will also continue to participate in the various provincial program consultations and focus groups with a view of maximizing program benefits while minimizing program costs.