

## For Information Only

### Role of Service Manager in Relation to Housing Providers

Presented To: Community Services Committee

Presented: Monday, May 13, 2019

Report Date Tuesday, Apr 30, 2019

Type: Correspondence for Information Only

### Resolution

For Information Only

### Relationship to the Strategic Plan / Health Impact Assessment

This report refers to operational matters.

### Report Summary

This report will clarify the roles and responsibilities of the Manager of Housing Services who through Delegation By-Law 2017-5 and the Housing Services Act, 2011, has the authority to oversee the social housing portfolio as it relates to compliance, allocation of subsidies and legislation, including local rules.

### Financial Implications

There are no financial implications associated with this report.

#### Signed By

##### **Report Prepared By**

Cindi Briscoe  
Manager, Housing Services  
*Digitally Signed Apr 23, 19*

##### **Health Impact Review**

Cindi Briscoe  
Manager, Housing Services  
*Digitally Signed Apr 23, 19*

##### **Division Review**

Cindi Briscoe  
Manager, Housing Services  
*Digitally Signed Apr 23, 19*

##### **Financial Implications**

Jim Lister  
Manager of Financial Planning and Budgeting  
*Digitally Signed Apr 24, 19*

##### **Recommended by the Department**

Ian Wood  
Interim General Manager of Community Development  
*Digitally Signed Apr 26, 19*

##### **Recommended by the C.A.O.**

Ed Archer  
Chief Administrative Officer  
*Digitally Signed Apr 30, 19*

## **Summary**

As per request from Interim General Manager of Community Development, this report will clarify the roles and responsibilities of the Manager of Housing Services, who through Delegation By-Law 2017-5 and the Housing Services Act, 2011, has the authority to oversee the social housing portfolio as it relates to compliance, allocation of subsidies, and legislation, including local rules.

This report outlines the functions of Housing Service staff, how the division is funded, and a petition that was received in 2018.

## **Background**

Housing Services was created by Council in 2001 to perform the role of local housing Service Manager and to operate the Social Housing Registry wait list with a mandate to ensure that the City of Greater Sudbury (City) meets all its legislated requirements as it relates to social housing.

Housing Services functions are listed below but are not limited to:

- reporting to Council regarding social and affordable housing issues, funding and subsidy requirements;
- allocating subsidies for local housing providers and program participants per Council approved budget;
- reporting quarterly/annually to the province/federal government on the level of housing provider program compliance and accounting of the senior levels of government funding;
- ensuring the provision of the legislated number of rent-geared-to-income (RGI) units within the community. Failure to provide the legislated numbers could result in a loss of funding, provincial fines, or both;
- creating local rules under the direction of the Housing Services Act, 2011 and its associated regulations as it relates to social housing;
- operating a central housing registry wait list for RGI applicants. With the Registry, applicants can apply in a central location for social housing projects throughout the community. The system ensures that applicants are given the priority assigned under legislation (Special Priority (victims of domestic violence), Urgent Status (homeless), and chronological (regular));
- assisting volunteer non-profit and cooperative housing Board of Directors and staff with governance and financial issues, and tenant concerns. Housing Services staff monitors program delivery and administration of all local non-profit

housing providers ensuring their compliance with by-laws, policies, and relevant provincial legislation including local rules (Appendix A - City of Greater Sudbury Housing Services Local Rules);

- reviewing housing provider budgets and financial statements ensuring that housing subsidies are properly utilized;
- assisting housing providers in developing and implementing adequate capital plans. This ensures that the housing providers take a planned approach to maintaining their social housing projects;
- providing education and training to housing provider board members and staff with respect to social housing legislation, regulations and housing operations. The work by Housing Services staff ensures that social housing providers remain current/compliant with legislation;
- identifying social housing providers in difficulty (i.e. deficits, fraud, etc.) as early as possible and ensuring the timely enforcement of program and legislated requirements and remedies. Developing action plans to resolve the issues and prevent and/or mitigate CGS financial losses. Housing Services staff guide housing providers in order to ensure they are in compliance;
- acting as the liaison with the Ministry of Municipal Affairs & Housing, CMHC, the Housing Services Corporation and other sector organizations (i.e. Ontario Non-Profit Housing Association, Co-operative Housing Federation, etc.). Housing Services continues to lobby senior levels of government for increased program funding;
- responding to the public regarding housing issues and program requirements;
- developing/implementing new social housing programs as directed by Council. As housing needs change and as housing programs change, Housing Services staff assess new programs and determine how these can best serve the needs of the community, and
- creation/implementation of a ten (10) year housing and homelessness plan with annual updates in partnership with Planning and Social Services. Key stakeholders and the public play a role in developing the plan.

### **Social and Affordable Housing Portfolio**

The local portfolio is comprised of 46 housing providers broken down as follows: 22 non-profits, 14 cooperatives, 4 federal, 5 affordable housing projects, and the 1 local housing corporation (GSHC). A total of 4,718 social housing units fall within the funding and administration envelope.

Non-profit housing providers are comprised of two types of corporations – non-profit corporations and non-profit cooperative corporations. The non-profit corporations are housing providers which were initially sponsored by a local group or agency. They own and operate their own housing projects. These projects are governed by a volunteer board. Their tenant relations follow the Residential Tenancies Act (RTA). The tenants sign a lease similar to that of tenants in the private sector. Landlord/tenant disputes are resolved through provisions of the RTA and adjudicated by the Landlord and Tenant Board. Housing Services has no role to play in the resolution process.

The second group, the cooperative corporations are governed by a board of volunteers who are members of the cooperative. The members reside at the cooperative. The board is elected by the members. The cooperatives fall under *the Cooperative Corporations Act*. Some aspects of the RTA apply but the members are governed by a member agreement. Disputes between members and the cooperative are resolved through provisions of *the Cooperative Corporations Act*, the cooperative's by-laws, the member agreement, and most recently sections of the RTA. Members generally seek legal advice if the matter cannot be resolved at the cooperative level. Housing Services has no direct role to play in the resolution of the cooperative/members disputes.

The largest social housing provider is the Greater Sudbury Housing Corporation (GSHC), which is municipally owned. GSHC staff has recently transitioned to Greater Sudbury Housing Operations, the newest division in the Community Development Department. Housing Operations staff oversees and operate the 1,848 social housing units across 30 sites. Housing Operations staff delivers, on behalf of Housing Services, over 600 units under various rent supplement programs. The rent supplement programs partner with private sector landlords to permit households selected from the wait list to live in the private sector. In these programs, the tenant pays the same geared to income rent they would have paid were they living in other social housing projects. The City provides a rent subsidy to the private landlord which bridges the gap between the RGI rent and the private sector rent.

The local portfolio has eighteen (18) social housing projects offering 796 units dedicated to seniors.

### **Social Housing Funding Sources**

**Federal:** The Federal government and the Province of Ontario signed the Social Housing Agreement (SHA) in 1999 which transferred the Federal social housing program administrative and funding responsibility to the Province. The SHA allows the Province to allocate funds to Consolidated Municipal Service Managers (CMSM's or Service Manager) as long as the funding is utilized towards social housing. The City does not have an agreement with the Federal government regarding these funds. The Province

allocates the Federal funding to municipalities based on the number of social housing projects located within the municipality and the level of funding the projects received prior to the Provincial transfer. The amount of Federal funding decreases over time as per a predetermined transfer schedule. The schedule is based on the retirement of program mortgages and debentures. Once these debts are retired, the project funding is withdrawn. The shortfall is covered by the municipal tax levy. CGS funding to housing providers would continue as the City is required by legislation to provide the community with a predetermined number of RGI units (Service Level Standards) and to fund the social housing providers.

**Provincial:** The Province transferred BOTH its program administration and funding responsibilities AND its Federal social housing responsibilities to the municipal level. The province provides a block of funding to the municipality, this funding does not cover all the required subsidy costs to housing providers and therefore the difference is offset by the municipal tax levy.

**Municipal:** The municipality covers the cost of social housing through the Federal funding via the municipal tax levy. The Federal funding covers approximately 20% of the cost while the City covers the balance. As time passes and costs increase, additional municipal funding will be required. The municipality has established a capital reserve account to help address future social housing capital needs. Current in year social housing underspending is placed in the reserve account once any municipal shortfall is fully addressed.

### **Non-profit and Cooperative Housing Provider Funding**

The amount of subsidy that a housing project receives is based on a program type. CGS offsets a portion of the subsidies to housing providers with the Federal funds flowed through Provincial bulk funding. In 2018, approximately \$10,067,654 was flowed to the non-profits, and approximately \$10,677,207 was flowed to GSHC.

The intent of the provincial legislation is that the municipality will continue to subsidize the housing providers for operating, capital, and RGI subsidies. The Province has yet to enact a subsidy termination provision.

As part of the Provincial transfer, the CGS also administers non-profit providers who have an operating agreement with CMHC. The City's requirement to provide subsidies to CMHC agreement housing projects ends once the mortgage expires. Most of the Federal agreements are in year 20 of their 35 year term although a few projects have 50 year terms.

The funding formula for GSHC is based on the legislated formula for non-profit providers. This ensures that CGS treats the GSHC in a consistent manner with all other non-profit housing providers.

Based on the legislated formula, Housing Services determines the subsidy envelope available to GSHC. GSHC must then prepare its budget keeping within the subsidy envelope. Council reviews and approves the GSHC subsidy envelope as part of the annual budget process. The subsidies received offset the operating and capital along with assisting to cover the cost of the RGI units that are funded under various Rent Supplement Programs. Legislation requires that the city provide sufficient funds to maintain the GSHC portfolio.

## **Petition**

At the City Council meeting of August 14, 2018, Councillor R. Kirwan submitted a petition to the City Clerk requesting a review of the Greater Sudbury Housing Services policies and rules governing co-operative and non-profit housing providers. There were 6 signatures on the petition (Board Members and/or tenants of a number of cooperative and non-profit housing providers in the City of Greater Sudbury).

Six (6) actions were included in the petition. Each action was reviewed by the previous General Manager of the Community Development Department. The response that was provided to the petition spokesperson on October 15, 2018, was based on a review of the six (6) actions.

Below are the full details of the of the six (6) action items reviewed.

1. Make the necessary amendments to Schedule "A" to the Delegation of Authority By-Law 2017-5 of the City of Greater Sudbury, namely Section 10 of the Housing Services Section, to exclude any authority being granted to the General Manager of Community Development and the Manager of Housing Services individually to make any changes to local rules which govern service providers and/or policies. All such changes must be approved only by resolution of City Council during a public City Council meeting.

Council makes the decision as to the content of the delegation of Authority By-Law and therefore has the power to revise the by-law accordingly. It is a best practice amongst the 47 Service Managers across the province to delegate authority to set local rules to its Housing Services management staff. The Housing Services Act, 2011 (HSA), Section 42, Eligibility rules, allows the Service Manager to develop local rules as it relates to the topics mentioned below.

A report was approved through resolution CS2013-33 Request for Decision – Local Rules under the Housing Services Act, 2011 (HSA), which provided direction to the Manager of Housing Services to create seventeen (17) policies (also known as local rules). By-Law 2013-180 was created under the heading By-Law to Adopt Social Housing Policies. In June 2014, an amendment to the By-Law was made as one social housing policy was missed (#18). By-Law 2014-147 was created to amend By-Law 2013-180. The policies

which were approved by Council within the above mentioned By-Laws are as follows (Appendix A - City of Greater Sudbury Housing Services Local Rules):

- Additional Priority Access Group (SPP – Victims of Domestic Violence)
  - Disqualification Period for Misrepresentations & Fraud
  - Earliest Date of Application
  - Maximum Household Absence from Unit
  - Maximum Household Asset Limits
  - Maximum Household Income Limits (HILS)
  - Maximum Number of Refusals of Offers of Accommodation
  - Notice of Change
  - Occupancy Standards for RGI Households
  - Opportunity to Comment – 3rd Party Information
  - Overhoused Households
  - Ranking Existing Market Rent Household Applying for RGI Assistance (In-Situ)
  - Refusal to Offer Accommodation
  - Rent Increases of \$10.00 or less
  - Subsidy Reimbursement of Service Manager
  - Time Period to Divest Interest in Residential Property
  - Transfers Between Providers and/or Service Manager Areas
  - Wait List Management Modified Chronological
2. Direct staff to organize one or more large group meetings as necessary of representatives of the Boards of Directors of the Cooperative and/or Non-Profit housing providers to conduct a full review of the existing local rules in order to determine which of the local rules should be amended or rescinded.

Housing Providers have the capacity to organize their own adhoc group to review the existing policies and to present recommendations to Housing Services for its consideration.

3. Direct staff to organize one or more large group meetings of representatives of the Boards of Directors of the Cooperative and/or Non-Profit housing providers to conduct a full review of the RGI policies that are currently being administered by Housing Services and look at establishing a policy that reflects the rent-gearred-to-income program that follow the best practices throughout the province.

The RGI program is legislated and delivered similarly amongst the 47 Service Managers across the province. Housing Providers have the capacity to organize their own adhoc group to review the existing policies and to present recommendations to Housing Services for its consideration.

4. Direct staff to look at re-establishing a social housing reference group to look at local rules and policy changes.

At devolution, a working group was formed. Its purpose was to create a standard housing application to populate the centralized housing registry. Staff is not aware of this group discussing or making any recommendations regarding local rules. The working group completed the mandate to develop a standard social housing application.

Housing Providers have the capacity to organize their own adhoc group to review the local rules and existing policies and to present recommendations to Housing Services for its consideration.

5. Issue a direction to staff of Housing Services Department identifying that all Cooperatives and/or Non-Profit housing providers are independent corporations governed by a volunteer Board of Directors.

Housing Providers have always been recognized by the Service Manager as independent Corporations. However, as part of its role and responsibilities, Board of Directors must adhere to the requirements of the governing legislation including local rules and reporting requirements set by the Service Manager under the *Housing Services Act, 2011*.

As part of the roles and responsibilities of the Board of Directors, all housing corporation boards are required to comply with the requirements of various legislation, its regulations and the Service Manager's local rules and provincial requirements.

6. Issue a direction to staff of the Housing Services Department that they are to attend meetings of the Board of Directors of Cooperative and/or Non-Profit housing providers upon written invitation only.

On more than one occasion, Housing Services staff have been advised by Non-Profit Boards that we only see Housing Services when there's a problem.

From time to time and based on Program Administrator's schedule, CGS staff reach out to the Boards to attend a Board meeting to show interest and to show that Housing Services is also a resource. Program Administrators attend as a guest and observe the order of business. It is also an opportunity for Board members to ask questions. Housing Services has always encouraged nonprofit and cooperative Board of Directors to follow their policies and by-laws.

Operational Reviews conducted have indicated that some Property Managers or Property Management Companies who are employed or contracted by the Board of Directors are acting as decision-makers. It is important that boards of directors understand the fiduciary responsibility they carry by virtue of their position. They should



also understand that any agreements with the service manager, the City and the provincial or federal government are with the board and not with staff or contracted managers. In short, decision making/governance is the role of the Board of Directors and Housing Services has provided training to Boards to help clarify their roles and responsibilities.

### **Next Steps**

By outlining the role of the Service Manager as it pertains to the *Housing Services Act, 2011* and its associated regulations, this report responds to the inquiries of the petition.

The petition spokesperson will receive a copy of this report and the accompanying minutes.

### **References**

Housing Services Act, 2011, <https://www.ontario.ca/laws/statute/11h06>

By-Law 2013-180 - By-Law to Adopt Social Housing Policies

By-Law 2014-147 – Amendment to By-Law 2013-180

## City of Greater Sudbury, Housing Services

### LOCAL RULES

(at March 2019)

Topic	SH Notification	Legislation
Maximum Household Absence from Unit	19-02 (original 15-02)	O. Reg. 367/11 s. 37
Modified Unit Policy	19-01	HSA s. 59-67 O. Reg. 367/11 s. 68-85
Capital Reserve Guide	18-04	O. Reg. 367/11 s. 98
Remuneration of Directors	18-03	O. Reg. 367/11 s. 100
Minimum Number of Board Meetings	18-02	O. Reg. 367/11 s. 100
Conflict of Interest for Directors, Officers, Employees & Agents	18-01	O. Reg. 367/11 s. 100
Occupancy Standards for RGI Households	17-02 (original 16-03)	O. Reg. 367/11 s. 42
Urgent Status on Centralized Wait List	17-01 (original 16-01)	HSA s. 47
Overhoused Households	16-05	O. Reg. 367/11 s. 38
Property Management Procurement and Contract	16-04	O. Reg. 367/11 s. 100
Ranking Existing Market Rent Household Applying for RGI Assistance (In-Situ)	16-02	O. Reg. 367/11 s. 48
Notification of Housing Registry Final Decision on Internal Review of Refusal to Offer to Unit	15-10	O. Reg. 367/11 s. 50
Wait List Management Modified Chronological	15-09	O. Reg. 367/11 s. 45 & 46
Refusal to Offer a Unit by Housing Provider	15-08	O. Reg. 367/11 s. 50 & 77
Ineligibility due to Refusal of Unit Offers	15-07	O. Reg. 367/11 s. 39
Certain Convictions	15-05	O. Reg. 367/11 s. 36
Opportunity to Comment – 3 <sup>rd</sup> Party Information	15-06	O. Reg. 367/11 s. 61
Maximum Household Income Limits (HILS)	15-04	O. Reg. 367/11 s. 34
Maximum Household Asset Limits	15-03	O. Reg. 367/11 s. 35
Verification of Income and Rent Calculation Method	RGI Manual	O. Reg. 367/11 O. Reg. 298/01

## City of Greater Sudbury, Housing Services

### LOCAL REQUIREMENTS

(at March 2019)

TOPIC	SOCIAL HOUSING NOTIFICATION
Submission of Board of Directors & Membership Meeting Packages	17-04
Quarterly Reporting on Vacancy Loss & Arrears	17-03 (originals 12-03 & 12-04)
Year End Procedures	08-04

#### ***Section 81(1) of the Housing Services Act, 2011***

*“A housing provider shall give the service manager such reports, documents and information as the service manager requests at the times the service manager specifies.”*