

Background

The City of Greater Sudbury is designated as the Service Manager for the administration of Federal and Provincial programs transferred from the Province.

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.

As a means of implementing LTAHS, the Province introduced the Housing Services Act, 2011 (HSA). It was felt that legislative changes were needed to the Social Housing Reform Act 2000 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 Housing Services Act, 2011 (HSA) is the legislation that governs the roles and responsibilities of the Province and Municipalities with respect to housing and homelessness planning and programs. In general, the purpose of the Housing Services Act 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.

The HSA defines the funding and administrative responsibilities conveyed by the Province, including the ongoing Provincial reporting, program requirements and standards. The HSA legislation delegated Service Managers certain decision powers to establish local rules and standards that their housing providers must follow and required the development of a 10 year Housing and Homelessness Plan.

The HSA defines the role of the City of Greater Sudbury as Service Manager as follows: A service manager shall, in accordance with its housing and homelessness plan, carry out measures to meet the objectives and targets relating to housing needs within the service manager's service area.

Consent Changes in the Housing Services Act, 2011

The Ministry of Housing has approved amendments to the Housing Services Act, 2011 effective January 1, 2017 which delegate the authority to Service Managers to make

some consent decisions which were formerly the responsibility of the Minister. The legislative amendments are intended to enhance the ability of Service Managers to make decisions to better meet local housing needs in a timely and efficient manner and achieve better people centered results.

The amendments to the HSA legislation include changes to Local Housing Corporations (LHC) under section 32 (a), 33(a), 34 (a) and 35(a). These sections deal with the ability of the LHC to: issue shares, transfer or encumber shares, amalgamate with another corporation or voluntarily be wound up and dissolved. The legislation was amended to allow the written consent of the Service Manager instead of the written consent of the Minister. Service Managers are required to notify the Ministry in writing within 30 business days of granting consent for any corporate changes to its LHC. The City's LHC is the Greater Sudbury Housing Corporation.

The other area where consent was delegated to the Service Manager is under Sections 161(2) and 162(2) which are the regulations regarding the transfer or mortgage of social housing properties. While the Service Manager has been granted consent to approve potential transfers, a Ministerial Directive has been issued outlining conditions for any transfers. The Service Manager must notify the Ministry within 10 business days of any consent decisions under these sections and outline how the Ministerial Directive has been satisfied.

These expanded consent authorities for both project transfers and changes to Local Housing Corporations are in keeping with the evolving role of Service Managers in social housing matters.

Ministerial Directive Regarding Transfers of Housing Properties

On December 20, 2016, the Minister of Housing issued the following Ministerial Directive and is in effect for January 1, 2017:

Pursuant to s. 19(1) of the Housing Services Act, 2011 (the "Act"), the Minister of Housing hereby directs that, in considering whether to grant consent under s. 161(2) or 162(2) of the Act for the transfer of a housing project or land where it is located:

1. The Service Manager shall ensure that:

- (a) residents of the housing project are advised of, and consulted on, the proposed transfer, and*
- (b) any identified adverse impacts on residents are appropriately mitigated.*

2. The Service Manager shall ensure that net financial proceeds generated from the transfer will be used to support the delivery of a transferred housing program or in furtherance of another housing-related purpose contemplated in the Service Manager's housing and homelessness plan.

Items to Consider Regarding Potential Transfer of Properties

Other considerations that may require provincial assistance in support of the Service Managers consent for the transfer or sale of a social housing property include:

- Restrictions related to Mortgages and Charges on Title - Service Managers need to review the title of a property to determine if any legacy title restrictions exist that could impact or restrict recommended actions,
- Repayment of current and past Social Housing Renovation Programs such as Social Housing Renovation and Retrofit Funding, Social Housing Energy Efficiency Funding, Social Housing Apartment Renovation Program and Social Housing Improvement Program. These programs included repayment conditions if projects ceased to meet their 20 year affordability requirements. Repayments to the Ministry or CMHC would be calculated on a prorated basis.
- Land Transfer Tax exemptions – Transfers of property that are to remain as social housing may be exempted from land transfer tax by the Lieutenant Governor in Council. Requests of exemptions require 180 days notice in order to schedule Cabinet consideration of the request and cannot be done retroactively.
- CMHC net share of Gains – Once CMHC is notified of any Federal/Provincial housing property transfers if any CMHC loans are still in place. Many of the outstanding loans have already matured and this liability greatly reduced however Service Managers should be prepared for this possibility.
- Delisting Properties from HSA - When a project is transferred it will continue to be subject to the requirements of the HSA as long as it is listed in the Ontario Regulation 368/11 as a “designated housing project”. If a project is transferred and no longer intended to be operated as social housing the Service Manager may request the Ministry to delist the project from the HSA.
- Environmental Remediation Risk – in the event that environmental contamination is discovered on any transferred public housing property there is a potential risk of liability on the part of former owners, therefore reporting rules have been developed to communicate review and remediation of any contamination

Summary

The legislative changes are providing Service Managers the necessary tools to review local social housing needs and respond in a timely and efficient manner. Through the creation of Service Manager consents, the Ministry of Housing is encouraging Service Managers to strategically assess their social housing portfolios and ensure the legacy supply of housing meets their current and future community needs. The assessment process may identify that some of the social housing portfolio may no longer meet community demand, is physically obsolete or financially unsustainable. Potential

disposition or redevelopment can enhance long term viability or create a source of funding for new affordable housing developments.

The sale or transfer of social housing can be challenging and difficult for affected residents. Consultation with the affected residents is essential to alleviate their concerns and uncertainties regarding their homes. Any net proceed generated from the sale of social housing assets must be reinvested in housing programs or initiatives.

Next Steps

The City of Greater Sudbury in partnership with the Greater Sudbury Housing Corporation is undertaking a review of the City's social housing portfolio with the intent of producing a social housing portfolio revitalization and capital financing plan. A report regarding the Plan was presented to Community Services Committee on June 19th.

<https://agendasonline.greatersudbury.ca/admin/index.cfm?pg=agendaItems&action=view&id=13212>