



Report To:	Manitoulin-Sudbury DSB Board
From:	Donna Moroso, Director of Integrated Social Services and Rhonda McCauley, Social Housing Program Supervisor
Date:	January 27, 2011
Re:	Ontario's Long-Term Affordable Housing Strategy

Report:

Ontario's Long-Term Affordable Housing Strategy and introduction of Bill 140, Strong Communities through Affordable Housing Act, 2010

On November 29th, 2010, the provincial government released its Long-Term Affordable Housing Strategy (LTAHS), with a vision to *"improve Ontarians access to adequate, suitable and affordable housing and provide a solid foundation on which to secure employment, raise families, and build strong communities."* This long-awaited announcement signals the most significant change for housing in Ontario since the province downloaded social housing responsibilities to service managers ten years ago.

The proposed legislation would establish clear roles and responsibilities and define a new partnership between the province and service managers.

Province as System Steward

- Set overall vision and provincial interests for housing in Ontario
- Set the legislative and policy framework
- Identify common desired outcomes and report on their achievement
- Assist in achievement of desired outcomes through broad, outcome-based (consolidated) program funding
- Engage with the federal government to establish national directions and negotiate federal contributions

Service Managers as System Service Managers

- Set local vision for housing, reflecting the provincial interest

- Provide local leadership in research and analysis of local housing and homelessness systems
- Develop and implement strategies to address housing need and to produce desired housing outcomes
- Contribute to and coordinate housing funding
- Administer housing and homelessness programs, coordinating with other programs and services
- Report on progress in addressing needs/producing outcomes

Key Features of the Strategy include:

Replacing the restrictive Social Housing Reform Act with a more enabling Housing Services Act.

The current *Social Housing Reform Act* (SHRA) does not provide an overarching enabling framework for affordable and social housing - it is limited to the operations of existing social housing administration. The proposed *Housing Services Act, 2010* would embed principles of local flexibility and local service system management in a more enabling way. As with any provincial legislation, the Housing Services Act will be subject to committee work, and regulation working groups will be established:

- Provide for a provincial role
- Set out a high level provincial interest
- Clarify the Service Manager role
- Provide for effective delivery of community based programs

It would replace / reform the *Social Housing Reform Act, 2000*, including reforms to:

Ministerial Consents

Currently:

- Service Managers must seek provincial approval for a range of social housing decisions. Consent requirements are considered cumbersome
- Requirement does not reflect Service Manager experience and expertise

Proposed legislation:

- The province would remove the requirement for "Ministerial Consent" for decisions that impact social housing projects, by transferring the decision-making authority to Service Managers
- Province would retain through regulation the authority to re-instate the requirement for consents for specific actions

Waiting Lists

Currently:

- Social housing tenants have minimal involvement in the selection process for social housing units, due to a cumbersome, paper-driven process
- Applicants cannot transfer from one Service Manager wait list to another

Proposed legislation:

- Would include provisions to clarify flexibility for Service Managers to adopt alternatives to the current chronologically-based system
- Would facilitate tenant transfers across wait lists or across Service Manager Areas

RGI Calculation

Currently:

- Process is overly complex (recalculating rent every time income changes), Administrative burden for tenants, providers and Service Managers

Proposed legislation:

- New regulations would create a simplified, annual calculation, potentially reducing or streamlining more than 60 income and asset exclusions
- Move toward an income-tax based system for determining income and establishing rent

Asset-Creation for Social Housing Tenants

Currently:

- RGI tenants face a disincentive to employment and education, as any additional income is clawed back through a corresponding increase in rents

Proposed legislation:

- Service Managers would have the ability to administer asset-creation programs
- MMAH will work with some Service Managers to launch pilot programs which will be used to evaluate the results prior to considering broader implementation

Social Housing Review Process

Currently:

- The review process regarding social housing eligibility and rent-geared-to-income (RGI) calculation decisions for tenants is criticized as not being transparent and not arm's length
- No formal avenue for housing providers to challenge Service Manager decisions

Proposed legislation:

- Would require Service Managers to establish a new review process for specific types of Service Manager decisions affecting social housing tenants and providers (e.g. tenant eligibility for RGI, decrease in subsidy for housing provider), ensuring more fairness in the system

Non-Profit Governance

Currently:

- Some non-profit and co-op housing providers face financial difficulties, Service Managers currently have the ability to move quickly to receivership as a remedy without exercising a range of progressive steps to assist boards

Proposed legislation:

- Would require Service Managers to use a range of options to work with housing providers in financial difficulty and articulate goal of returning to community-based governance
- Would require housing providers to develop Board and staff renewal plans

Local Housing and Homelessness Plans

Province would identify provincial interests in housing through a Housing Policy Statement. Proposed new legislation, if passed would require Service Managers to undertake comprehensive local planning for housing and homelessness, identifying needs and establishing priorities. These will include:

- 10 year planning horizon, renewed at least every 5 years
- Province would have the opportunity to comment on plans before they are finalized
- Plans are approved by Service Managers
- Implementation: First plans would be due one year after legislation enacted—target end of 2012

Consolidating provincially funded housing and homelessness programs

Today, there are more than 20 provincial housing and homelessness programs in Ontario. Province is committed to consolidating the current patchwork of provincial housing programs. The first phase of the consolidation will begin with 5 homelessness related programs:

- Consolidated Homelessness Prevention Program
- Emergency Energy Fund
- Emergency Hostels
- Domiciliary Hostels
- Rent Bank

Program consolidation will allow service managers to use funding in a more flexible manner, reflective of local need. The province will explore future phases of program consolidation and/or harmonization with Service Manager participation.

Amendments to the Planning Act

In 2006, the Ontario government made amendments to the Planning Act that promoted affordable housing and supported stronger communities. There are currently a range of planning and financial tools available to municipalities that encourage affordable housing including property tax exemptions for municipal housing facilities, loans and grants, and establishing targets through official plans.

To further expand affordable housing opportunities, amendments would be introduced to the Planning Act to require municipalities to establish policies allowing second units in new and existing developments. Second units are private, self-contained residential units with their own kitchen and bathroom, either located in a house or as accessory units, such as above laneway garages.

Second Units

Currently:

- Municipalities can choose (but are not required) to establish second unit policies for singles, semi and row houses

Proposed amendments would:

- Require municipalities to establish policies allowing second units in new and existing developments
- Expand affordable housing opportunities for lower and moderate income households, for elderly parents or live-in caregivers and provide additional income for homeowners

Other Planning Initiatives

- Proposal to extend timeline that garden suites can be initially permitted
- Add a reference to “affordable housing” in matters of provincial interest
- Second units must comply with all applicable requirements, including those related to health and safety. The proposed changes would not grandfather (or legalize) any existing second units which do not meet these requirements.

This change would provide more affordable options for lower and moderate income households, for elderly parents or live-in caregivers. It would also provide additional income for homeowners, such as first-time homebuyers who would have help with their mortgage payments.

Risk / Opportunities of Long Term Housing Strategy

1. *Housing Services Act, 2010*. The proposed changes to the ministerial consent process may create significant opportunities / flexibilities. For example, it will be considerably simpler for private non-profit housing providers to encumber their properties to pay for expensive capital repairs.
2. RGI calculation changes will be significantly less administratively driven. However, with the proposed annual calculation, it may result in less rent-geared-to-income revenue thus, higher DSB subsidy payments.
3. The new appeal provisions for applicants, tenants and social housing providers may result in the creation of a local tribunal “type” committee that may result in some cost pressures for the DSB.
4. Consolidated housing and homelessness program will strengthen our current integrated delivery of Social Services.
5. At this time, there is no additional federal or provincial funding attached to the LTAHS. The \$540 million that was committed to extend the Canada-Ontario Affordable Housing Program (AHP), known as the AHP Extension (2009) to 2011 has all been allocated. Without a long-term funding commitment from the federal and provincial government, the setting of affordable housing targets and outcomes will be difficult to achieve.