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REVIEW OF SOCIAL HOUSING PROVIDERS' OPERATIONS 2010 ANNUAL ACTIVITY UPDATE

The Community and Health Services Committee recommends the adoption of the recommendation contained in the following report dated March 24, 2011, from the Commissioner of Community and Health Services.

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

This report provides information regarding York Region's 2010 housing provider performance management activity.

3. BACKGROUND

Under the *Social Housing Reform Act, 2000*, the Region is the Service System Manager for a number of social housing programs formerly administered by the federal or provincial governments. In this capacity, the Region is responsible to provide funding in accordance with provincially mandated subsidy calculations and to ensure that social housing providers manage their operations well and in compliance with applicable legislation.

Not all housing programs were transferred to Service Managers. The federal government transferred its co-operative housing programs to a national co-operative agency. There are eleven former federal housing co-operatives located across the Region with a total of just over 900 units. The Region does not fund or administer these units.

The Province also continues to administer a number of housing related programs delivered in the Region, including Homes for Special Care, Violence Against Women shelters and supportive housing programs for people with a range of special needs. Many of these programs are expected to be reviewed as part of the provincial commitment to program consolidation under the recently announced Long Term Affordable Housing Strategy.

The Region's social housing portfolio consists of 40 housing providers including Housing York Inc., who collectively operate more than 70 housing properties. Approximately 6,000 low and moderate income households live in these social housing

communities. *Attachment 1* provides a list of the various non profit and co-operative housing providers located in each municipality and the number of units in each.

The social housing portfolio is a significant social and physical asset. On an annual basis the Region provides approximately \$35 million to housing providers in support of their operations. With approximately \$8.6 million in federal housing program funding transferred from the Province to the Region, the net 2011 tax levy impact is about \$26 million. The portfolio has a current value assessment of approximately \$668 million with an estimated replacement cost of about \$1.3 billion.

4. ANALYSIS AND OPTIONS

The Region measures and manages housing providers' performance

The Region measures and manages housing provider performance through:

- Annual financial statements and Annual Information Return reviews.
- Rent-geared-to-income program and waiting list compliance monitoring.
- Reviews of housing providers' operational performance with follow up to resolve any identified issues.
- Provision of training and coaching supports to assist housing providers in fulfilling their obligations.

The Region reviews housing providers' audited financial statements and Annual Information Returns

The *Social Housing Reform Act, 2000* requires housing providers to submit an Annual Information Return and audited financial statements within five months of their fiscal year end. The Annual Information Return is a provincially prescribed form used to reconcile the Region's payments to the housing provider and also meet provincial reporting requirements.

Regional staff review and analyze the annual financial package to assess the provider's financial performance and to identify opportunities to improve business practices. Each housing provider receives a written assessment of the annual financial package with explanations of areas cited for improvement. If the review identifies issues of significant concern, staff follow-up directly with the board of directors to develop a remediation plan.

Most housing providers manage their financial responsibilities effectively. However, at the end of 2010, Regional staff were working closely with two housing providers that had accumulated substantial deficits. Both housing providers are making progress towards improving their financial situations.

The Region monitors housing providers' compliance with rent-geared-to-income and waiting list program rules

Regional staff periodically conduct reviews of housing providers' rent-geared-to-income obligations and waiting list compliance. As part of the process, individual tenant files are assessed to ensure that the housing provider calculated rents correctly and copies are on file of all required documentation. Staff cross reference tenant information with waiting list records to ensure that rent-geared-to-income subsidies are allocated in compliance with the waiting list rules. Waiting list activity is verified monthly to ensure that housing providers offer rent-geared-to-income vacancies to the highest ranked applicants on the Region's centralized waiting list.

The *Social Housing Reform Act, 2000* entitles tenants to a review of any decision with respect to their rent-geared-to-income subsidy. At the tenant's request, the Region reviews the tenant file to determine whether the housing provider's decision was correct. If the request relates to a decision that the tenant is no longer eligible for rent-geared-to-income subsidy, the Region uses the review process to give the tenant a final opportunity to provide additional information to support a subsidy reinstatement. In 2010, the Region received 64 requests for review of a housing provider decision. Of these, 34 housing provider decisions were upheld, 9 were revised to correct an error and 21 were revised as a result of additional information provided by the tenant during the review process.

Generally speaking, housing providers manage the rent-geared-to-income program and waiting list requirements effectively.

The Region reviews housing providers' operations to assess performance and works with housing providers to resolve any issues identified

Regional staff periodically undertake comprehensive evaluations called operational reviews. These operational reviews are typically conducted every three to five years and particular attention is paid to board governance, fiscal management, building condition and compliance with all applicable program rules and regulatory requirements.

Subsequent to the review, the Region issues a report to the housing provider's board of directors identifying any issues that need to be addressed. Regional staff work with the housing provider to develop and oversee implementation of remediation plans, providing training and support as needed. If a housing provider does not make acceptable progress, the Region may compel compliance by relying on the enforcement provisions in the *Social Housing Reform Act, 2000*.

Under the Act, the Region can issue a Notice of Triggering Events telling the housing provider what steps must be taken to resolve the performance issue. If the housing provider does not comply with the Notice, the Region can implement a prescribed remedy, such as replacement of directors or appointment of a Receiver. In the Region's experience, once a Notice is issued, the housing provider typically begins to make

progress in improving their performance. The Region has only proceeded with a remedy once, appointing a Receiver for Thornhill Green Co-operative Homes Inc. That property was transferred to Housing York Inc. in March 2011. At the end of 2010, three other housing providers were operating under Notices of Triggering Events. All three are demonstrating significant progress towards resolving their issues.

The Region supports housing providers through coaching, training and technical advice

There are approximately 6,000 social housing units in the Region, two-thirds of which are owned and operated by non-profit or co-operative organizations with volunteer boards of directors. Most of these organizations are very small. About half of the 40 providers operating in the Region have portfolios of 100 units or less and only five have more than 150 units. Housing York Inc., with approximately 2,000 units, is the only large provider in the Region.

These volunteer boards manage an enormous range of responsibilities with limited staffing resources. Typically, a housing provider has only one or two employees or management company staff. Consequently, Regional staff provides on-site coaching and support resources, including training materials and referrals to other organizations, such as the Social Housing Services Corporation, as appropriate. The Region also provides group training sessions on topics such as Workplace Violence and Harassment and the *Accessibility for Ontarians with Disabilities Act*.

In recent years, the federal and provincial governments have provided funding to assist housing providers with capital repairs. These programs typically have very tight timeframes and extensive eligibility criteria. Housing providers generally don't have the expertise required to fully engage in these programs. As such, the Region has provided extensive staff support and technical advice to assist housing providers in accessing funding and effectively managing their capital projects. With the Region's assistance, local housing providers will benefit from more than \$18 million in federal/provincial funding from 2009 through 2011. A further report to Council detailing the housing provider building repair program activity in the Region will be submitted later this year.

5. FINANCIAL IMPLICATIONS

The Region's social housing portfolio is a valuable community asset with an estimated replacement cost of approximately \$1.3 billion. Most importantly, social housing is home to approximately 6,000 low and moderate income households. The Region provides approximately \$35 million in annual operating subsidies to providers and monitors their performance closely.

6. LOCAL MUNICIPAL IMPACT

Social housing communities are found in every municipality of the Region. Effective management of housing provider performance ensures that they continue to provide valuable services in their communities.

7. CONCLUSION

The Region monitors housing provider performance through a variety of measures, including review of annual financial information packages, rent-gear-to-income program administration, waiting list compliance and operational assessments. Training and support are provided as needed to optimize performance. Enforcement measures prescribed in the *Social Housing Reform Act, 2000* are employed if required to compel performance improvement. In general, housing providers in the Region are managing effectively and those with identified issues are working with the Region to improve their performance.

For more information on this report, please contact Sylvia Patterson, General Manager, Housing and Long Term Care at Ext. 2091.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the April 13, 2011 Committee meeting.)

INVENTORY OF SOCIAL HOUSING UNITS

Municipality	Provider Corporation Name And Address	Total Units
Aurora	Charles Darrow Housing Co-operative Inc. 135 James Henry Drive, Aurora	107
	Machell's Corners Housing Co-operative Inc. 165 Preston Thompson Place, Aurora	67
East Gwillimbury	Mount Albert United Church Senior Citizens Foundation 40 Royal Oak Road, Mount Albert	52
Georgina	Our Lady of Smolensk 81 Alexander Boulevard, Jackson's Point	35
	Bethany Co-operative Homes Inc. 45 Atherton, Keswick	68
	Pefferlaw and Lions Housing Corp. 18 Pete's Lane, Pefferlaw	26
King	Schomberg Lions Club Non-Profit Housing Corporation 40 Roselena Avenue, Schomberg	32
Markham	Calvary House (Markham) Corp. 7011 McCowan Road, Markham	100
	East Markham Place Non-Profit Homes 25 Deverill Court, Markham	120
	Hagerman Corners Community Homes Inc. 4460-14 th Avenue, Markham	81
	Kinsmen Non Profit Housing Corporation (Richmond Hill) 1 Founders Way, Markham	187
	Robinson Street Non-Profit Homes (Markham) Inc. 120 Robinson Street, Markham	26
	Rougebank Foundation 1 Thomson Court, Markham	118
	Unionville Home Society 100 Anna Russell Way, Markham	91
	Water Street Non-Profit Homes Inc. 20 Water Street, Markham	150
	Annswell court Foundation 25 Thornhill Summit Drive, Thornhill	39
	Thornhill St. Luke's Seniors Home Inc. 49 Green Lane, Thornhill	96
Newmarket	Bogart Creek Co-operative Homes Inc. 180 Groves Terrace, Newmarket	40
	Carpenters Local 27 Housing Co-operative Inc. 280 Davis Drive, Newmarket	119
	Davis Drive Non-Profit Homes Corp. 925 Davis Drive, Newmarket	119
	German-Canadian Housing of Newmarket Inc. 735 Stonehaven Avenue, Newmarket	135

Municipality	Provider Corporation Name And Address	Total Units
Newmarket (cont'd)	Inter Faith Homes (Centenary) Corporation 400 Crossland Gate, Newmarket	101
	Inter Faith Homes (Centenary) Corporation 1029 Pritchard Place, Newmarket	48
	United Church Developments (York Presbytery) 2 United Circle, Newmarket	90
Richmond Hill	Oakwil Non-Profit Homes Corporation 220 Sunset Beach Road, Oak Ridges	28
	Centre Green Co-operative Homes Inc. 172 Centre Street East, Unit 43, Richmond Hill	42
	Ja-fari Islamic Housing Corporation 138 Yorkland Street N., Richmond Hill	170
	John Fitzpatrick Steelworkers Housing Co-operative Inc. 105 Weldrick Road East, Richmond Hill	180
	Jubilee Garden Non-Profit Housing Corp. 102 Yorkland Street, Richmond Hill	100
	Landsberg Lewis Housing Co-operative Inc. 46 Berwick Crescent, Richmond Hill	149
	Prophetic Non-Profit (Richmond Hill) Inc. 39 Crosby Avenue, Richmond Hill	212
	Richmond Hill Co-operative Homes Inc. 8675 Bayview Avenue, Richmond Hill	105
	Richmond Hill Ecumenical Homes Corporation 25 & 35 Marshall Street, Richmond Hill	350
	Richmond Hill Ecumenical Homes Corporation 286 Major Mackenzie Drive, Richmond Hill	150
	St. Matthew's (Richmond Hill) Non-Profit Homes 325 Crosby Avenue, Richmond Hill	23
Vaughan	OHR Somayach Residential Centre Inc. 601 Clark Avenue West, Thornhill	125
	City of Vaughan Non-Profit Housing Corporation 2185 Major Mackenzie Drive, Vaughan	31
	Branch 414 Legion Village Non-Profit Housing Corporation 33 Thistlewood Avenue, P.O. Box 40, Woodbridge	30
	Friuli Benevolent Corporation 60 Friuli Court, Woodbridge	113
	St. Peter's Seniors' Residence Woodbridge Inc. 90 Bainbridge Avenue, Woodbridge	65
Whitchurch- Stouffville	Parkview Village Retirement Community Association of York Region 12184 Ninth Line S., Stouffville	124
All Area Municipalities	Housing York Inc. Office – 1091 Gorham Street, Unit #104, Newmarket	2078