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APPROACH TO THE IMPLEMENTATION OF THE PROVINCIAL LONG TERM AFFORDABLE HOUSING STRATEGY AND DEVELOPMENT OF THE REGION'S HOUSING & HOMELESSNESS PLAN

The Community and Health Services Committee recommends the adoption of the recommendation contained in the following report dated April 25, 2012, from the Commissioner of Community and Health Services.

1. RECOMMENDATION

It is recommended that Council receive this report for information.

2. PURPOSE

This report provides an update on the implementation of the Provincial Long Term Affordable Housing Strategy and outlines the approach proposed to develop the Region's Housing and Homelessness Plan.

3. BACKGROUND

The Province is moving forward with implementation of its Long Term Affordable Housing Strategy.

The Provincial Long Term Affordable Housing Strategy (the Strategy) includes four major initiatives:

1. Reforming the legislative framework for social housing.
2. Consolidating funding and administration of a range of provincial housing and homelessness programs.
3. Replacing the current, complicated rent-geared-to-income (RGI) system with an income tax based system.
4. Requiring Service Managers to develop and implement 10 year plans for their local housing and homelessness systems.

Implementation of the Strategy is proceeding. The *Social Housing Reform Act, 2000* was repealed January 1, 2012, when the new *Housing Services Act, 2011* and related regulations took effect. The Province has also issued the Ontario Housing Policy Statement, 2011, which sets out the Housing and Homelessness Plan requirements. Provincial policy work and consultations with respect to program consolidation and rent-geared-to-income (RGI) reform are on-going. An overview of each of these initiatives is provided in the body of this report.

The *Housing Services Act, 2011* completes the devolution process begun under the *Social Housing Reform Act, 2000* and reduces administrative requirements.

As part of the Local Services Realignment exercise in the late 1990's, the Province designated Service Managers to administer a range of former provincial programs. At that time, Service Managers had limited experience with social housing. The *Social Housing Reform Act, 2000* devolved housing programs but maintained a significant degree of provincial control through detailed administrative rules and a requirement that the Minister of Municipal Affairs and Housing consent to certain Service Manager decisions.

The *Housing Services Act, 2011* (HSA) recognizes that Service Managers have developed considerable expertise in delivering housing programs. The new legislation focuses on system outcome requirements instead of setting out detailed administrative rules.

The HSA maintains the existing funding and administrative relationship between the Region and social housing providers. However, the HSA clarifies and enhances the enforcement tools available to a Service Manager when a housing provider has serious compliance issues. Housing providers must also comply with a new requirement to have training plans for staff and volunteers and succession plans for their boards of directors. A report outlining the HSA implications for housing providers will be provided to the Board of Directors of Housing York.

The HSA also expands the Region's responsibilities with respect to housing programs. Most of the requirements for Ministerial Consent have been eliminated. In circumstances where housing providers in the past would need Ministerial Consent, they must now obtain the consent of the Service Manager. For example, under the previous legislation, the Minister had to consent to any changes in the arrangements a housing provider had with an agency providing supports to designated units in their building. Under the HSA, that decision will now be made by the Region. The Minister must still consent before a social housing property can be sold. In delegating decision making authority to Service Managers, the HSA also explicitly provides that Service Managers are responsible for any housing provider related mortgage default costs.

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 Region currently has a funding or administrative role in most of these programs. The 2008 Provincial-Municipal Fiscal and Service Delivery Review report directed the Province

and municipalities to work together to consolidate housing and homelessness programs into a housing service managed at the municipal level.

In the Strategy, the Province committed to consolidating the following 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 consolidation is to enable Service Managers to use provincial funding in a more flexible manner, reflective of local housing and 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 recent Provincial budget proposes to remove the Community Start Up and Home Repair Benefit (CSUMB) from social assistance, with housing supports delivered as part of the Long Term Affordable Housing Strategy. CSUMB provides Ontario Works and Ontario Disability Support Program clients with help to establish a new residence, prevent evictions and maintain an existing residence. CSUMB funding will be shifted by January 2013 to consolidated housing and homelessness programs delivered by municipal service managers, with only a portion of the current level of CSUMB funding included. The Province has not yet indicated the timing for the subsequent phases of program consolidation.

The Province is committed to rent-geared-to-income (RGI) reform

The current RGI system has been in place for decades. Subsidized tenant rents are based on 30% of gross income for those with employment or pension related incomes and on provincially prescribed rent scales for tenants whose primary income source is Ontario Works (OW) or the Ontario Disability Support Program (ODSP). Rents are decreased if tenants pay for their own heat and/or water and are increased if the landlord pays the hydro bill.

Over the years the RGI system has become increasingly complicated and difficult for tenants to navigate. Income rules can be confusing as they are not consistent with the rules applied by the Canada Revenue Agency or OW and ODSP. The rent scales applied to OW and ODSP participants are artificially low, which increases the Region's subsidy costs and makes it difficult for those tenants to transition to employment based rent calculations. The utility adjustment tables are not indexed to inflation and are now so badly outdated that some tenants pay more in utilities than they pay in rent, making it increasingly difficult for some tenants to make ends meet.

The Strategy commits the Province to reforming the RGI system to better align with the income tax system. At this time it does not appear that the OW/ODSP rent scales or the utility adjustment tables will be revised. The province is currently developing and testing income tax based calculation rules and has indicated that Service Managers will have an opportunity to provide comment on the proposed new system.

Changing the RGI calculations will impact tenant rents and consequently the Region's RGI subsidy costs. Impact assessments cannot be conducted until the proposed new system is available for review. A future report to Council will provide an overview of the expected new system and any anticipated cost implications.

The Province requires each Service Manager to develop a 10 year Housing and Homelessness Plan, with implementation beginning in 2014.

The HSA and the Ontario Housing Policy Statement establish the requirements for the Region's Housing and Homelessness Plan (the Plan). In general terms, the Plan is an overview of the Region's current and longer term engagement in the housing and homelessness system, from eviction prevention programs through to the affordability targets in the Regional Official Plan (2010).

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 actions proposed
4. A description of progress measures that will be publicly reported

Service Managers are required to ensure that their Plans address all matters defined as Provincial Interests in the HSA and the Ontario Housing Policy Statement. As such, the Plan must reflect a system of housing and homelessness services that:

- a) is focused on achieving positive outcomes for individuals and families
- b) addresses the housing needs of individuals and families in order to help address other challenges they face
- c) has a role for non-profit corporations and non-profit housing cooperatives

- d) has a role for the private market in meeting housing needs
- e) provides for partnerships among governments and others in the community
- f) treats individuals and families with respect and dignity
- g) is co-ordinated with other community services
- h) is relevant to local circumstances
- i) allows for a range of housing options to meet a broad range of needs
- j) ensures appropriate accountability for public funding
- k) supports economic prosperity
- l) is delivered in a manner that promotes environmental sustainability and energy conservation
- m) addresses the housing needs of victims of domestic violence and persons with disabilities

There is no new provincial funding available to support new local programs or initiatives and 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.

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

4. ANALYSIS AND OPTIONS

Staff are collaborating to ensure that the Plan is developed in an integrated manner and in compliance with provincial requirements.

The Plan development process outlined in Table 1 was developed by a multi-disciplinary team that included senior staff from Corporate and Strategic Planning and the Community and Health Services Department.

Table 1
Proposed Plan Development Process

Action	Timing
Assess available housing need related data and prepare <i>Housing Matters</i> report	Winter 2011/12
Present <i>Housing Matters</i> and proposed Plan development process to Council	Spring 2012
Selected Community consultations to enhance understanding of local Housing Needs	Summer 2012

Action	Timing
Program/Service Inventory and Gap Analysis	Spring/Summer 2012
Develop a draft action plan	Fall/Winter 2012/13
Present draft Housing and Homelessness Plan for Council consideration	Spring 2013
Submit draft Plan to MMAH for review	Spring 2013
Internal and External consultations on draft Plan	Summer 2013
MMAH comments on draft Plan due	Fall 2013
Revise Plan as needed	Fall 2013
Present final Plan to Council	Winter 2013/14
Plan implementation begins	Early 2014

***Housing Matters* meets Regional objectives and supports the housing needs assessment required for the Plan**

The *Housing Matters: A Review of the Housing Market in York Region* updates the York Region Housing Directions Study (2000) which was submitted to Council in September, 2000. The updated study has been developed collaboratively by Long Range Planning and Community and Health Services and serves to update information and data, inform housing debate and policy, identify housing issue areas, and define “affordable housing” in order to implement and monitor affordable housing targets in the Regional Official Plan (2010).

Housing Matters identifies major themes such as:

- Housing is connected to all of the elements that make up a community and good housing is essential to the health of communities
- York Region's urban structure, residents and economy are growing and diversifying
- Demand for more choices in rental housing and affordable ownership is high and growing
- The development of rental housing has not kept pace with our growth
- As the urban structure evolves and the population diversifies, there will be an increased need for special purpose housing
- Affordable housing solutions will require ongoing partnerships and commitments to make progress

The updated *Housing Matters* study provides a quantitative assessment of housing needs in the Region and is the first component of the Region's Housing and Homelessness Plan. The housing needs assessment will be further enhanced through consultations with specific groups, such as housing providers, the Accessibility Advisory Committee and the Violence Against Women sector in York Region.

The strategic framework for the Plan has been established through Vision 2051, the Corporate Strategic Plan and the Regional Official Plan (2010).

The Region has recently undertaken three strategic planning exercises; Vision 2051, the Corporate Strategic Plan and the Regional Official Plan. Each of these strategies reflects feedback from extensive consultations. Housing needs in the Region were consistently a major theme. The strategies reflect this emphasis.

Goal 1 of Vision 2051 “*a place where everyone can thrive*” and Goal 4 “*appropriate housing for all ages and stages*” and the associated action areas reflect many of the areas identified as provincial interests for the purposes of the Plan. Similarly, the Corporate Strategic Plan includes a Goal to “*improve social and health supports.*” Furthermore, the Regional Official Plan (2010) sets specific targets and identifies optimal locations for the development of new affordable housing, and commits to promoting the development of these units through incentives, partnerships, community education and monitoring.”

Building on the existing strategic framework, the objectives proposed for the Plan are:

- Housing choices that match our needs
- Housing that supports health and sustainability
- An integrated network of partnerships, programs and services that promote housing stability

Additionally, the Human Services Planning Board of York Region report titled *Making Ends Meet in York Region* indicates that the need for all human services in York Region is increasing. The report identified the objective of offering “a good mixture of safe and affordable housing options and programs throughout York Region for low and moderate income families and individuals to make ends meet.” Opportunities to partner with the broader community to find solutions to address economic vulnerability and help people stay housed will be further explored as part of this initiative.

5. FINANCIAL IMPLICATIONS

At this point in time the financial implications of the provincial Long Term Affordable Housing Strategy are unknown. At this time, there is no new money to 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

Staff will continue to participate in provincial consultation processes and will provide future reports when financial impacts can be assessed.

6. LOCAL MUNICIPAL IMPACT

All local municipalities are impacted by the provincial Long-Term Affordable Housing Strategy. There are social housing communities, rent-geared-to-income tenants and people experiencing or at risk of homelessness in every municipality. Every local municipality plays a vital role in the housing system and the Region's planning staff regularly engages their local municipal colleagues with respect to implementation of the Regional Official Plan (2010).

7. CONCLUSION

The Province is moving forward with implementation of the Long Term Affordable Housing Strategy, which includes four major components:

1. Reforming the legislative framework for social housing
2. Consolidating funding and administration of a range of provincial housing and homelessness programs
3. Replacing the current, complicated rent-geared-to-income system with an income tax based system
4. Requiring Service Managers to develop and implement 10 year plans for their local housing and homelessness systems

This report provides an overview of each component of the strategy and recommends a process to develop the Region's 10 year Housing and Homelessness Plan in compliance with provincial requirements.

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.