



Office of the Commissioner
Community and Health Services Department

MEMORANDUM

To: Members of Committee of the Whole

From: Katherine Chislett
Commissioner of Community and Health Services

Date: March 3, 2021

Re: Request for Supportive Housing Rent Supplements to be Considered in Budget 2021

Summary

- At its meeting of November 5, 2020, Committee of the Whole referred the presentation provided by Bryan Keshen, Chief Executive Officer, Reena to staff for consideration of this and any other similar requests within the 2021 budget.
- Staff do not recommend funding rent subsidies as requested by Reena for the reasons given at the Committee of the Whole meetings of November 5, 2020 and January 14, 2021, and as summarized in this memo.
- Should Council decide to fund the rent subsidies, an additional \$187,000 in tax levy would be required for the Community and Health Services budget for 2021. As rent subsidies are funded over the long term, the additional tax levy funding would be a permanent addition to the budget.
- Should Council decide to establish a program to provide rent subsidies for supportive housing, further tax levy funding would be required for the Community and Health Services budget. Council could set the funding amount to be added to the 2021 budget, and request staff to return with a recommended program, including a fair process that would make the opportunities available to all supportive housing organizations, and setting out the staffing resources required.

Supportive housing programs combine housing and support services to enable people with a broad range of needs to live as independently as possible

In [November 2020](#), Council endorsed recommendations to the Province of Ontario in response to its consultation to improve the supportive housing system. “Supportive housing” is an umbrella term that includes diverse housing and accommodation types and support models, designed to enable people with many different needs to live in their communities as independently as possible. The current supportive housing stock in York Region is estimated to include 124 group homes and other residential care facilities with an estimated 650 beds, most of which serve people with developmental disabilities.

The province is responsible for dedicated supportive housing programs and provides 99% of the funding for supportive housing. Supportive housing agencies have their own referral systems and wait lists, and do not draw from the Region’s subsidized housing wait list to fill their units. Most supportive housing programs in Ontario are funded and administered through the Ministry of Health, the Ministry of Children, Community and Social Services or the Ministry of Municipal Affairs and Housing.

While the Region has an interest in supporting all York Region residents to have healthy communities focused on livability, health, safety and social well-being as set out in its strategic plan, this does not mean the Region is responsible to fund services and programs outside of its mandates to achieve that vision. As a Service Manager, the Region is responsible to fund and administer designated community housing (formerly called social housing) and to provide access to subsidized units for people who can live independently, with or without support services, as mandated by the *Housing Services Act, 2011*. When the province transferred responsibility for community housing to municipal Service Managers in the early 2000s, it retained responsibility for dedicated supportive housing programs. Regional involvement in supportive housing is ad hoc and a result of legacy programs and/or dedicated provincial funding streams.

Reena requested funding for rent supplements at its new housing project and has made a broader request for the Region to invest in supportive housing

While supportive housing is a provincial responsibility, the provincial supportive housing system is fragmented and does not consistently match funding for support services with housing subsidies. As a result, supportive housing providers occasionally request Regional funding to ensure their programs are affordable to residents with low income.

Between 2018 and 2020, Reena approached Regional staff a number of times to request rent subsidies or other funding for its new supportive housing project, the Lou Fruitman Residence, in the City of Vaughan. Regional staff have responded that:

- Funding of supportive housing is a provincial responsibility.

- In its mandate as Service Manager, the Region currently prioritizes investment for community housing units and rent supplements that draw from the subsidized housing wait list, given the significant level of unmet need.
- Any household that meets the basic eligibility criteria, which include age and legal status in Canada, may apply to the Region’s subsidized housing wait list, and will be offered a subsidy in order of their application date. If support services are required, they must be arranged by the household.
- The Region’s rent supplement budget is fully allocated.
- The Region does not have capital funding that could be reallocated to the Lou Fruitman Residence (the project is being funded under the Canada Mortgage and Housing Corporation’s Co-investment Fund).

In November 2020, representatives from Reena deputed at the Housing York Inc. Board meeting and Committee of the Whole to request approximately \$187,000 in annual funding to provide rent supplements for 33 households moving into the new building. Council deferred Reena’s request to be considered as part of the 2021 Regional budget.

Reena has also made a broader request for the Region to invest in supportive housing

Also in November 2020, Council requested an estimate of the potential cost to the Region to address supportive housing needs. A [January 2021](#) memo estimated approximately \$1.4 billion in capital funding and \$25.7 million in annual operating funding (rent subsidies) would be needed to address unmet need for supportive housing in York Region. In comparison, to address unmet need in the community housing system—which is within York Region’s mandate as Service Manager—an estimated investment of \$6.2 billion in capital funding and \$130 million in annual operating funding would be needed.

Reena deputed at Regional Council on January 28, 2021 in response to the January 2021 memo and made a broader recommendation that the Region allocate a portion of any future investments in affordable housing for dedicated supportive housing, including housing built to care home standards.

Reena currently receives both provincial funding and Regional tax levy funding to provide deeply affordable housing for people with developmental disabilities

In 2020, Reena received \$308,653 in rent supplement funding, including:

- \$216,000 in tax levy funding for 30 Rent Assistance units in the Reena Community Residence, as approved by Council in 2008. The agreement began in 2012 and, unless terminated, renews automatically for five-year terms. The current term will end August 31, 2022.

- \$92,653 in provincial Strong Communities Rent Supplement funding, administered by the Region through a dedicated supportive housing stream for agencies funded through the Ministries of Health and Child, Community and Social Services. Unless extended by the province, this funding will end on March 31, 2023.

At this time, Reena is the only supportive housing provider that receives tax levy funding for rent supplements in York Region. The Region is occasionally approached by community groups interested in building affordable and/or supportive housing seeking financial supports. Due to a lack of available funding, the Region is unable to accommodate such requests. Should tax levy funding be made available by Council for rent supplements, the Region would be able to consider formal funding requests through an established process.

There is currently no federal or provincial funding source provided to the Region designed to support Reena's request for additional rent supplement funding

The Region currently receives federal and provincial funding to address housing need through three main programs under the National Housing Strategy:

- The [Canada-Ontario Community Housing Initiative](#) provides dedicated funding for legacy social housing to repair, renew and expand existing supply. The Region received a planning allocation of \$51,493 for 2019/2020 to 2021/2022.
- The [Ontario Priorities Housing Initiative](#) is a flexible funding envelope that Service Managers may use for capital and operating expenditures in accordance with provincial guidelines to address local priorities, as outlined in the [November 2019](#) investment plan. The Region received a planning allocation of \$17.4 million for 2019/2020 to 2021/2022, which is used to support capital repairs for existing community housing buildings, development of approximately 100 new community housing units, and housing allowances for approximately 185 households, including people who are experiencing or have experienced chronic homelessness. The 185 allowances have been fully allocated.
- The [Canada-Ontario Housing Benefit](#), as described to Council in [March 2020](#), is a portable rent benefit that recipients may use to help pay their rent anywhere in Ontario. Service Managers receive annual program funding allocations based on population share, and assist potentially eligible households through the application process. The program is delivered by the province. The Region's allocation of \$4.3 million for April 1, 2020 to March 31, 2022 supported 237 households in year one and will support approximately 50 households in year two. Benefits are allocated to applicants on the subsidized housing wait list who fall within priority groups identified by the program guidelines, including people with disabilities, seniors, survivors of domestic violence, and people experiencing or at-risk of homelessness.

The Region's investments are designed support the greatest possible number of people within the limits of the programs, in alignment with the federal and provincial priorities and the goals set out in Phase 2 of York Region's 10-year housing and homelessness plan, *Housing*

Solutions: A place for everyone. The three federal-provincial programs outlined above are time-limited and require funds to be spent within the year for which they are allocated. As a result, the programs are unable to provide the long-term rent subsidies required for dedicated supportive housing programs.

Housing York Inc. partners with supportive housing agencies to access affordable market units

Housing York Inc.'s (HYI's) vision is to be a leader in affordable housing, building inclusive communities that everyone would be proud to call home. As part of the commitment to inclusion, HYI partners with community agencies to deliver a variety of services to residents, such as assisted living programs to support aging in place in seniors' buildings, as well as supportive housing opportunities in family and mixed population buildings. HYI has partnerships with agencies that serve people with physical disabilities, development disabilities, mental illness and or people who were homeless.

With new partnerships, HYI enters into a head lease with an agency. This gives the agency the right to use a set number of units at below-market rents paid by the agency. The agency, in turn, decides which of their clients will occupy the unit. For example, eight barrier-free units at Woodbridge Lane in the City of Vaughan were offered to agencies through a competitive process at \$1,400 per month for a two bedroom, well below the market rate of \$1,800 per month, and \$1,200 for a one bedroom that usually rents for up to \$1,350. The agency is required to provide supports the resident may need to live independently.

For the Woodbridge offering, HYI received four proposals. A fifth agency expressed interest but did not submit a proposal, noting that they needed subsidies to make the arrangement work financially.

The Region has advocated for the province to strengthen its existing role in the supportive housing system, including investing in dedicated rent subsidies, through an ongoing consultation process

The province is currently conducting a policy review and stakeholder engagement process to identify opportunities to streamline and improve coordination to ensure that people can access the supports they need. The Region's response to the provincial consultation, endorsed by Council in [November 2020](#), recommended that the province establish a lead ministry that would be responsible for strategic oversight of the supportive housing sector as well as planning and funding allocation to coordinate future investments in support services and housing affordability. The Region further recommended that the province provide dedicated funding for rent subsidies for both new and existing supportive housing programs and consider increasing Ontario Works and Ontario Disability Support Program shelter allowances to reflect local market realities.

At this time, the province has not shared findings from the review or proposed a future direction for supportive housing programs. Staff is not recommending Regional investment in supportive

housing, beyond the Region's existing role in administering programs for people experiencing or at risk of homelessness and current partnerships before the provincial review is complete.

Should Council decide to invest in additional rent subsidies for supportive housing, tax levy funding will be required, and the funding should be allocated through a fair, transparent, and open process

Any additional investment in rent supplements for supportive housing should consider the long-term operational and resourcing impacts on the Region. Should Council decide to fund additional rent subsidies for supportive housing providers, a fair allocation process should be established to ensure that all supportive housing agencies operating in York Region have an equitable opportunity to request available Regional funding. In addition, sufficient resourcing — human and financial — would need to be provided to manage the new program and agreements.



Katherine Chislett
Commissioner of Community and Health Services



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