

The Regional Municipality of York

Committee of the Whole
Community and Health Services
June 13, 2019

Report of the Commissioner of Community and Health Services

Ontario Community Housing Renewal Strategy and New Funding Allocations for Community Housing and Homelessness Prevention

1. Recommendations

1. The Commissioner of Community and Health Services be authorized to approve the Investment Plans and enter into the necessary agreements with the Ministry of Municipal Affairs and Housing to implement and administer the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative.
2. The Commissioner of Community and Health Services be authorized to allocate any new or related funding within and among the components of the new Canada-Ontario Community Housing initiatives and the new Ontario Priorities Housing Initiative program with no new tax levy impact, and to allocate additional funds to the components should additional funds be allocated by the Province.
3. The Commissioner of Community and Health Services be directed to report to Council in fall 2019 on how funding was allocated in the Investment Plans for the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative, and on the projects that were funded.
4. The Commissioner of Community and Health Services be authorized to extend the agreement with the service provider currently delivering the Home Now Program for two additional one-year periods, to 2020-21 and 2021-22, contingent on receipt of provincial funding and continued achievement of program outcomes by the service provider.
5. The Regional Chair submit the changes recommended to the *Housing Services Act, 2011* set out in Attachment 1 to the Minister of Municipal Affairs and Housing recommending to the Minister that York Region's recommendations be implemented.

2. Summary

On April 17, 2019, the Province announced a Community Housing Renewal Strategy. The Strategy includes proposed amendments to the *Housing Services Act, 2011*, two new programs with funding for community housing (Housing York Inc., non-profit and co-operative housing providers) and extension of two existing homelessness programs. This report

provides information about potential implications for York Region policies and programs, requests authorizations required to implement the new programs and recommends amendments to the *Housing Services Act, 2011* and its Regulations.

Key Points:

- Ontario's Community Housing Renewal Strategy includes funding for two new housing programs, the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative Program (OPHI), and continuation of funding for the Community Homelessness Prevention Initiative (CHPI) and for the Home for Good program.
- Funding is time limited, and has a number of administrative requirements. To ensure funding is maximized, authority is requested to permit the Commissioner of Community and Health Services to enter into required agreements and submit any documents needed to implement the new programs and to allocate funding among program components, Staff are currently developing plans to allocate funding to community housing providers in York Region, such as options to increase supply, repair existing units, provide rental assistance, and prevent homelessness.
- CHPI funding was to have increased in 2019; however, the increase is delayed until 2020. Staff have identified adjustments to mitigate the delay in funding for homelessness prevention and housing stability services.

3. Background

York Region as Service Manager is responsible for community housing and for homelessness prevention and housing stability programs under the *Housing Services Act, 2011*.

Community housing, which includes rental units owned and operated by non-profit and cooperative housing providers and Housing York Inc., provides subsidized and affordable housing for low and moderate income households. Homelessness prevention and housing stability programs include emergency and transitional housing, drop-in and aftercare supports, financial assistance to help with costs such as utility and rent arrears or last month's rent deposits, outreach services and financial and case management supports. Some of these programs and services are directly delivered by the Region while others are delivered by a wide range of community partners.

As the service manager for Housing, the Region is responsible for:

- Maintaining a wait list for subsidized housing
- Funding rent subsidies, including a legislated minimum of 3,988 rent-geared-to-income units under provincial subsidy rules
- Ensuring community housing providers comply with provincial legislation

- Establishing local rules, policies, programs and services for community housing
- Allocating and administering funding for certain federal and provincial programs
- Developing and implementing a 10-Year Housing and Homelessness Plan

As the service manager for Homelessness, the Region is responsible for:

- Planning and administering programs to prevent people from becoming homeless and to keep them stably housed
- Allocating and administering funding for certain provincial programs

Short-term federal and provincial funding programs support community housing and homelessness prevention activities

Since 2001, the federal and provincial governments have invested in short-term programs to increase the supply of rental housing and provide limited operational funding to increase housing affordability. The programs are directly administered by the Region as Service Manager.

Over the past five years, the Region has successfully leveraged federal and provincial funding and tax levy investment to build 327 new affordable housing units, 42 emergency housing beds and 20 transitional housing units. Another 459 affordable housing units are set to open between 2019 and 2021. In addition, federal and provincial funding has been used to provide 185 housing allowances to applicants on the Region's subsidized housing wait list to help with the cost of rent while they wait for a subsidized unit.

The Region also administers provincial [Community Homelessness Prevention Initiative](#) (CHPI) funding and tax levy funding to support a broad range of programs and services delivered by Regional staff and partner agencies to assist people who are experiencing homelessness or at risk of homelessness. In addition, under the provincial Home for Good funding stream, launched in 2017, the Region was allocated \$1.5 million over three years for the [Home Now](#) program which supports people experiencing chronic homelessness to find and keep housing.

The federal government committed to an ongoing role in the housing system through the National Housing Strategy released in November 2017

The [National Housing Strategy](#) identified new federal priorities and funding to address housing, including stabilizing funding for the existing community housing system, repair and renewal of existing housing units, and providing monthly rent benefits to renter households. Several initiatives require provincial or territorial cost-matching.

The Ontario Community Housing Renewal Strategy confirms the Province's participation in cost-matched federal programs and includes a funding plan and proposed legislative changes

In April 2018, the Province entered into a bilateral agreement with the Canada Mortgage and Housing Corporation, which outlined how the Province would receive federal funding under two National Housing Strategy initiatives and would work with the federal government to co-design a portable housing benefit program. In its 2019 budget, the Province confirmed funding streams and initiatives as originally outlined in the 2018 bilateral agreement, with the first funding expected in fiscal year 2019-20.

On April 17, 2019, the Province released a [Community Housing Renewal Strategy](#) that provides further details of how the Province will work with the federal government and Service Managers to deliver new programs created under the National Housing Strategy. The Community Housing Renewal Strategy complements the province's [More Homes, More Choice: Ontario's Housing Supply Action Plan](#), released May 2, 2019. The Province's strategy aims to increase the supply of market housing and support a diverse mix and range of housing types.

York Region has received 2019-20 funding allocations and planning allocations for 2020 to 2022 for community housing and homelessness prevention and housing stability programs

There are three new housing programs under the Community Housing Renewal Strategy:

- The Canada-Ontario Community Housing Initiative (COCHI) will provide funding to Service Managers to repair, regenerate and expand community housing and can also be used to support federally-funded community housing providers whose original program arrangements are expiring.
- The Ontario Priorities Housing Initiative (OPHI) will provide flexible funding to Service Managers to address local priorities in the areas of housing supply and affordability, which may include new affordable rental construction, repairs and renovations, rental assistance, tenant supports and affordable home ownership.
- The Canada-Ontario Housing Benefit will be a cost-shared by the provincial and federal government and is expected to establish a portable housing benefit for eligible households. At this time, no program details are available.

In addition, the Province has provided funding allocations for three existing programs:

- Funding for the final year of the Investment in Affordable Housing – Extension which provides funding for affordable housing development and housing allowances
- 2019 to 2022 allocations for the Community Homelessness Prevention Initiative (CHPI)

- 2019 to 2022 allocations for the Home for Good program which supports people who are homeless to find and keep housing

The allocations are summarized in Table 1.

Table 1
Funding Allocations for Community Housing and Homelessness
Prevention/Housing Stability Programs

Funding Stream		2019-20 confirmed	2020-21 planned	2021-22 planned
Housing Programs	Canada-Ontario Community Housing Initiative (COCHI)*	\$0.05 million	\$0	\$0
	Ontario Priorities Housing Initiative (OPHI)*	\$7.5 million	\$3.9 million	\$6.0 million
	Investment in Affordable Housing – Extension (IAH-E)	\$4.3 million	N/A**	N/A
Homeless Programs	Community Homelessness Prevention Initiative (CHPI)	\$14 million	\$15.7 million	\$15.7 million
	Home for Good operating funding	\$0.5 million	\$0.5 million	\$0.5 million
Total Annual Funding		\$26.3 million	\$20.1 million	\$22.2 million

*New program

** This program ends March 31, 2020

The Community Housing Renewal Strategy identifies a number of legislative and regulatory changes aimed at modernizing the community housing system

Several of the proposed amendments reflect changes that the Region has supported to better target housing subsidies toward those most in need and ensure that vacant units are filled quickly, as outlined to Council in [March 2018](#). The Province is seeking comment on the proposed amendments to the *Housing Services Act, 2011* by July 1, 2019.

4. Analysis

The funding allocations affect the approved 2019 budgets and 2020 to 2022 budget outlooks for the Social Services and Housing Services Branches of the Community and Health Services department

The April 17, 2019 provincial funding allocation letter included new funding and identified funding changes that will impact the approved budgets for 2019, and will have implications for spending in future years.

Under COCHI and OPHI, the Region will receive approximately \$17.4 million in new funding that can be used to increase and sustain the supply of community housing and address housing affordability between 2019 and 2022, including \$7.5 million that will begin to flow in 2019. The \$4.3 million allocation under the Investment in Affordable Housing – Extension represents confirmation of an existing notional allocation already considered in the approved budget.

At the time the Region's 2019 budget was approved, the most recent provincial funding allocation indicated CHPI funding would increase by \$1.7 million for 2019-20, contingent on provincial budget approval. The Province has since advised that the anticipated CHPI increase has been delayed to 2020-21. Funding for 2019-20 will remain at the 2018-19 allocation level.

The Province has also provided a planning allocation that indicates that Home for Good operating funding will be extended for two years beyond the original end date of March 31, 2020.

Social Services Branch staff have developed a plan to mitigate the 2019 financial pressure and respond to the extension of Home for Good funding

The planned increase in CHPI funding in 2019 was intended to support additional staff positions to increase service capacity, implement new programs and service enhancements, and provide program management support. The in-year impact in 2019 will be mitigated by adjusting start dates for new positions, the launch of new programs and implementation of program enhancements to later in the current year or in 2020.

Because the Region had no commitments for Home for Good funding beyond March 31, 2020, the budget outlook for 2020 and 2021 anticipated that the Home Now program would continue to be funded through a combination of CHPI and tax levy funding. With the extension of Home for Good funding for two additional years, future pressures on CHPI and tax levy funding for homelessness prevention will be temporarily reduced.

The Canadian Mental Health Association – York and South Simcoe (CMHA) is contracted to deliver the Home Now Program on behalf of York Region to March 31, 2020. With the Home for Good funding extension, this report recommends the Commissioner of Community and Health Services be authorized to extend the agreement with the service provider currently

delivering the Home Now Program for two additional one-year periods, to 2020-21 and 2021-22, contingent on receipt of provincial funding and continued achievement of program outcomes by the service provider.

Investment Plans and an executed Transfer Payment Agreement are required to access new funding

Each of the new funding programs includes multiple “components” that set out conditions for how Service Managers may use their allocations to address local housing needs. OPHI has three capital funding components (rental housing construction, affordable home ownership, and repairs and renovations), and two operating funding components (rent assistance and tenant support services). COCHI has one capital component (redevelopment and repair of social housing, and two operating components (short-term operating funding or rent supplements to eligible housing providers).

Separate annual Investment Plans are required for COCHI and OPHI funding. Investment Plans must include:

- Which program components the Region will deliver in each program year
- The amount of funding from each year’s funding allocation projected to be used for each program component, and the amount of funding that will be used for administration costs
- The number of units expected to be created and repaired and the number of households expected to be assisted

The initial Investment Plans must be submitted by September 15, 2019 to the Ministry of Municipal Affairs and Housing to access funding for the 2019-20 program year. The Region is also required to enter into a Transfer Payment Agreement with the Ministry of Municipal Affairs and Housing by September 15, 2019.

This report recommends that the Commissioner of Community and Health be authorized to develop and submit the Investment Plans for 2019 to 2023 and enter into the necessary agreements with the Ministry of Municipal Affairs and Housing to implement and administer the new funding programs. The reason for this recommendation is the need to move quickly in order to access and allocate funding. Both OPHI and the COCHI are provided on a “use it or lose it” basis. Capital funding for new rental housing and redevelopment projects must be committed by December 31 of the program year, and construction must begin within 120 days. Operating funding must be spent within the program year for which it was allocated. Unspent funds may be re-allocated to other Service Managers.

Speed is particularly important to ensure that OPHI funding is available to support non-profit and co-operative housing providers with capital projects or redevelopment, as they may need additional planning time and resources.

The Investment Plan would allocate funding from the Ontario Priorities Housing Initiative to housing provider capital repairs, increasing supply and supports for tenants

OPHI is intended to provide Service Managers with flexibility to address local housing needs and funding can be used towards the following components:

1. Rental housing construction
2. Affordable home ownership
3. Repairs and renovations for existing community housing
4. Rent assistance
5. Tenant support services

Based on the lack of rental housing in York Region, the need to keep existing community housing in a good state of repair, and the growing wait list for subsidized housing, staff plan to use the OPHI funding to:

- Increase the community rental housing supply (component 1)
- Fund capital repairs to sustain the existing community housing supply (component 3)
- Provide rental assistance to increase affordability for residents (component 4)

Through development of the OPHI Investment Plan, staff will undertake additional analysis to determine the amount of funding to be directed to each of these objectives in order to maximize the impact. Staff will provide Council with an update on how the OPHI funding was allocated in fall 2019.

A second Investment Plan is needed to allocate funding from the Canada-Ontario Community Housing Initiative to housing provider capital repairs

The Canada-Ontario Community Housing Initiative provides \$51,500 over three years to existing community housing providers for the following components:

1. Capital for redevelopment or repair
2. Short-term operating funding
3. Rent supplements

Due to the limited program budget and strict program guidelines, it is recommended the funding be allocated to capital repairs (component 1).

The Province has proposed legislative and regulatory changes intended to streamline and stabilize the community housing system, including changes to wait list administration and calculation of rent-geared-to-income

Overall, the changes proposed are consistent with previous provincial direction to modernize community housing in Ontario. The changes are also intended to respond to the Ontario Auditor General's 2017 audit of social and affordable housing. The proposed changes include:

- Simplifying rent-geared-to-income rules. Currently, the rules are complex and administration is a significant burden for both housing providers and tenants and co-operative members; the Region supports the move to a simpler process.
- Requiring wait list applicants to prioritize their building choices and accept the first offer of housing. Council recommended this change to the Province in [March 2018](#).
- Giving Service Managers flexibility to allow tenants to transfer between housing providers within their service area without re-applying to the subsidized housing wait list. While the Region supports enabling legislation that grants Service Managers more flexibility to manage their wait lists, if the proposed change is mandated for all Service Managers, it could increase wait times for chronological applicants. The Region recommends that Service Managers be given maximum flexibility to determine if and how this legislation could be implemented.
- Allowing housing providers to refuse to offer a unit to a household if a member of the household was previously evicted for a serious criminal offence. The proposed change may increase community safety in some areas, although this has not been identified as an issue in York Region.

The Province is considering a change that would require Service Managers to establish local asset limits for housing subsidies, rather than leaving it up to Service Managers to decide if they want a local asset limit. At this time, the Province has not yet proposed a specific legislative amendment. Council approved a local asset limit in [March 2018](#) that took effect on October 1, 2018.

The Province is seeking comment on the proposed amendments until July 1, 2019. Attachment 1 contains staff comments on the proposed changes and recommended additional opportunities to streamline the administration of the community housing system and improve outcomes for residents. This report recommends that the Regional Chair provide Attachment 1 to the Minister of Municipal Affairs and Housing as the York Region submission.

The updated *Housing Solutions* Phase 2 action plan will reflect opportunities identified as a result of the Community Housing Renewal Strategy

Staff are currently completing a five-year review of *Housing Solutions*, York Region's 10-Year Housing and Homelessness Plan, and are developing an updated Phase 2 action plan. The objectives of the Community Housing Renewal Strategy are well-aligned with the preliminary goals staff have identified for the Phase 2 action plan, and relevant information will be incorporated in the update. Opportunities under the OPHI and COCHI funding streams will also be incorporated. A draft updated action plan will be presented to Council in fall 2019.

Federal and provincial investment in community housing supports the objectives of Vision 2051 and the Corporate Strategic Plan 2019 to 2023

Ongoing federal and provincial investments in community housing and homelessness prevention and housing stability services will increase the Region's ability to take actions to support the Corporate Strategic Plan priority to support community health, safety and wellbeing, and directly contribute to the objectives of delivering and promoting affordable housing and improving access to health and social supports. These investments also support the Vision 2051 goal of "Appropriate housing for people at all ages and stages of life".

5. Financial

New federal and provincial funding is available to address local housing needs beginning in 2019, as shown in Table 1. Once the Region has finalized the COCHI and OPHI Investment Plans, staff will report back to Council to request necessary capital and/or operating budget adjustments, depending on how funds are allocated. Up to five per cent of the new federal and provincial funding can be allocated for administration. The Region will allocate the full amount for administration, but will retain flexibility to reinvest this funding in programs and services as required.

A planned increase in provincial funding for homelessness prevention and housing stability services in 2019-20 has been deferred to 2020-21. The extension of Home for Good operating funding in 2020-21 and 2021-22, a total increase of \$1.1 million, will be addressed in the 2020 budget.

Some of the changes proposed to the *Housing Services Act, 2011*, including simplification of calculating rent-g geared-to-income, are expected to pose additional costs for Service Managers starting in 2021, when the changes are anticipated to take effect. As the Province provides additional information on the legislative changes staff will perform an analysis of the cost impact and report back to Council as needed.

6. Local Impact

Housing affordability is a growing challenge for residents in all nine local municipalities. There is a need to preserve and expand the supply of community housing throughout York Region, and to keep residents stably housed. The new funding available under the Community Housing Renewal Strategy provides an additional tool for the Region and community housing providers to meet these goals. The proposed legislative changes will also contribute to the sustainability of existing community housing stock throughout the Region.

7. Conclusion

There is a growing need for community housing as well as homelessness prevention and housing stabilization programs in York Region due to an increasing population, high housing costs, and limited rental housing supply. In addition, as the existing supply of community housing, it will be essential to fund capital repairs and work to redevelop older stock to meet changing needs.

The federal National Housing Strategy and provincial Community Housing Renewal Strategy provide new federal and provincial funding for community housing, and also set out legislative and regulatory changes aimed at modernizing provision of community housing. Staff is developing plans to take advantage of the new funding opportunities as well as respond to the pressures created for homelessness prevention and housing stability programs as a result of the delay in an anticipated increase of CHPI allocation for 2019-20. In addition, staff will continue to engage with the Province to work toward modernization of the community housing system in Ontario.

For more information on this report, please contact Cordelia Abankwa, General Manager, Social Services at 1-877-464-9675 ext. 72150, or Rick Farrell, General Manager, Housing Services at ext. 72091. Accessible formats or communication supports are available upon request.

Recommended by: **Katherine Chislett**
Commissioner of Community and Health Services

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

May 29, 2019
Attachment (1)
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