



# Housing and Homelessness Services in Ontario



*In Ontario, community housing and homelessness prevention programs are **co-funded, planned and administered** by **47 Service System Managers***

## Across Ontario, Service System Managers are responsible for:

- Managing **260,000+** affordable housing units, representing a combined **\$40-billion asset**<sup>1</sup>
- Providing affordable homes to more than **680,000 Ontarians**
- **Administering funding, overseeing standards,** and providing **capacity building** to more than **1,500+** non-profit and co-operative housing providers
- **Managing wait lists and access** to affordable housing in their communities, according to provincial and local priorities
- **Providing affordable housing options across the continuum of housing needs,** from shelters, transitional and supportive housing to rent-geared-to-income (RGI) and affordable rental
- **Meeting the unique and complex housing needs of their communities,** informed by the priorities set out in their 10-Year Housing and Homelessness Plans, as well as provincial and federal programs and legislation

Ontario's 47 Service System Managers are **Consolidated Municipal Service Managers** (CMSMs), or upper and single-tier municipal governments in southern Ontario, and **District Social Services Administration Boards** (DSSABs) in the north

<sup>1</sup> Housing Services Corporation, *Social and Affordable Housing Primer*, 2014.

## Ontario is the only jurisdiction

in Canada where municipal levels of government (through Service System Managers) hold responsibility for housing. In other provinces, housing programs are fully funded and delivered by provincial or territorial governments, and supported by federal funding contributions.

**Ontario's municipalities are also the primary funders of community housing in Ontario, contributing more than \$1.2 billion annually.<sup>2</sup>**

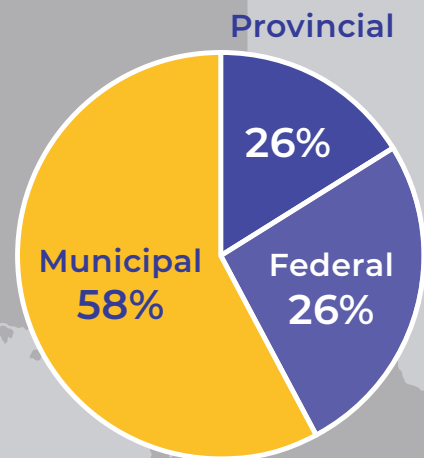
This represents more than provincial and federal government contributions combined, and is one of the only significant sources of ongoing, predictable funding for community housing providers.

Increasingly, housing affordability is recognized as a **key driver for poverty reduction, improved health outcomes, and economic and labour market development**, and the Service System Management role is vital to a strong system of affordable housing options for Ontarians.

**Directly accountable** to their local communities, Service System Managers work to ensure that taxpayer-funded services are managed with a focus on **transparency, quality assurance** and **local priorities** and **outcomes**.

They understand the **unique social, economic, regional and demographic forces** that shape their communities, and their strong relationships with local service providers help them deliver the **right mix of housing supports** – with the right community partners – to address specific local needs.

## 2017-18 FUNDING SOURCES FOR COMMUNITY HOUSING IN ONTARIO



Source: Association of Municipalities of Ontario

<sup>2</sup> Association of Municipalities of Ontario, *Housing in Ontario: A Primer for AMO Members*, 2017.

## Increased Costs and Funding Instability

- Ontario's Service System Managers are doing their part to ensure that critical services like housing are adequately funded and delivered – but are challenged by the fact that municipal governments collect only **9% of all tax dollars**.
- Most of the community housing stock in Ontario is between **18 and 50 years old**, and the cost to address the backlog of needed repairs is sitting at **\$1.5 billion**.<sup>3</sup>
- **By 2033**, all funding commitments and agreements for capital and operating expenses between the federal government and community housing providers will have expired. Roughly **40%** of the housing units supported by these agreements **will be non-viable** once they expire, and **80% would be at-risk** of not being able to operate under their current structure.<sup>4</sup>
- New federal funding under the National Housing Strategy is welcome news, but there are significant **limits to municipalities' abilities to match funding** and the current **funding criteria and application requirements pose barriers to smaller and rural communities**, who may be left out.
- Funds were previously committed for social housing repairs and retrofits through cap and trade revenues. **Continued provincial investment in social housing is badly needed** in communities across Ontario.
- **Time-limited, application-based funding models** pose barriers to Service System Managers' and housing providers' abilities to plan strategically to meet long-term needs both efficiently and effectively.



<sup>3-4</sup> Association of Municipalities of Ontario, *Housing in Ontario: A Primer for AMO Members*, 2017.

# Pressures on Ontario's Housing System

## Pressures on Affordability

- The **waiting list** for rent-geared-to-income housing in Ontario has grown to **more than 171,000 people**, with little new development to accommodate it.<sup>5</sup>
- There is a **growing demand** for housing for seniors, families and those with developmental disabilities.
- **Rental vacancy rates are extremely low** and driving up the cost of rent in many communities. In Ontario, **46% of rental households are paying more than 30%** of their income on rent – and **more than 1 in 5 are putting more than 50% of their income towards rent.**<sup>6</sup>
- The Provincial and Federal governments are developing Portable Housing Benefits to ease affordability, but their **impacts will be limited without increased supply** of rental housing.
- Non-profit and co-op housing providers often **lack the capital required to develop new housing**, and municipalities are limited by an already **overstretched property tax base.**

## Administrative Burdens and Lack of Flexibility

- Service System Managers are **subject to over 200 service agreements** with the Province. Programmatic, application-based funding places **cumbersome (and often duplicated) administrative and reporting requirements** on Service System Managers, particularly for those with fewer staff resources or capacity.
- Service System Managers are evaluated against outdated **Service Level Standards (SLS)** that measure only a portion of the possible tools and approaches to improve housing availability and affordability, **limiting flexibility and innovation.**
- Regulatory requirements under the *Housing Services Act, 2011* around calculating and administering rent-geared-to-income (RGI) housing cause **unnecessary administrative burdens and complication** for Service System Managers, housing providers, and their tenants and clients.

<sup>5</sup> Ontario Non-Profit Housing Association, 2016 Waiting Lists Survey Report, 2016.

<sup>6</sup> BC Non-Profit Housing Association, Canadian Rental Housing Index, 2018.

## Funding Stability

- ▶ **Housing affordability must be recognized (and funded) as a shared priority and responsibility** by all three levels of government – particularly given the limits of the municipal property tax base to shoulder this responsibility.
- ▶ **Funding should be allocated in predictable and sustainable ways**, through allocation-based (rather than application-based) approaches, with flexibility to roll funding into future years, enabling long-term strategic planning to meet local needs.
- ▶ Service System Managers welcome the federal government’s renewed commitment to housing affordability, but the federal government must work with the Province of Ontario and Service System Managers to **ensure that the National Housing Strategy (NHS) can achieve its goals within Ontario’s unique framework**.
- ▶ **Significant investment is needed** at the provincial and federal levels to support key priorities, including:
  - Repairs, renovation and maintenance;
  - Affordable housing options and supports for people with the greatest need, such as seniors, Indigenous communities, people with mental health and addictions challenges, people with developmental disabilities, and the chronically homeless.
- ▶ **The Community Homelessness Prevention Initiative (CHPI) funding has been crucial** to supporting community-level solutions to ending and preventing homelessness. CHPI funding should be prioritized, continued and enhanced, and should support the use of longer-term housing allowances to enable high-needs individuals to effectively transition into more stable, long-term housing.

The cancellation of the Cap and Trade Program, unless replaced with alternative funding, will result in the loss of sorely-needed resources for community housing renovations across the province. **Sustainable funding from the provincial and federal governments is required to maintain a strong community housing sector.**

## Partnering in the Design of the Housing System

- ▶ As the primary funders, Service System Managers must be recognized as **equal partners and co-designers** of housing policy and programs.
- ▶ As experts on local housing delivery and need, **Service System Managers must be engaged and leveraged at the outset**, to ensure that provincial policy can be successfully implemented locally.



## Increasing the Supply of Affordable Housing

- ▶ **More action is needed from the Province** to incentivize and stimulate the construction of new rental housing, to address low rental vacancies, increase access to affordable housing options, and ensure tools like the Portable Housing Benefit, Special Priority Policy, and local rental subsidy programs can effectively achieve their intended outcomes.
- ▶ The Province should look to jurisdictions like British Columbia on approaches to addressing low rental vacancies, such as **rental-specific zoning**.
- ▶ The Province should pursue opportunities to leverage existing assets, including **providing access to surplus provincial properties** at no or low cost, and cataloguing and leveraging public sector land banks for redevelopment in partnership with the private sector.

## Alleviating Pressures on Ontario's Shelters

- ▶ Emergency shelters in Toronto and many Ontario communities are over, at, or reaching capacity, largely due to the **increased influx of asylum seekers and refugee claimants**.
- ▶ **Financial assistance and resources are required** from the federal government to alleviate this financial burden.



## Removing Barriers & Modernizing the Framework

The Province and Service System Managers must work together to **reform and modernize the legislative framework to remove unnecessary burdens** and allow for greater local flexibility and innovation. Priority areas include:

- ▶ **Rent-geared-to-income (RGI) reform** to remove administrative barriers and unnecessary complication for clients, housing providers and Service System Managers.
- ▶ **Modernizing Service Level Standards (SLS)** to ensure they reflect current realities, support innovation and flexibility by recognizing the full range of approaches to achieving housing affordability, and are tied to meaningful outcomes for people and communities.
- ▶ **Updating Rent and Utility Scales** to ensure they reflect true costs and keep pace with cost of living increases. Discrepancies in the current scales create additional costs for municipalities of more than \$200 million per year.
- ▶ **Supporting efficiencies** through technology modernization and integrated service delivery.

## Supporting an Integrated System

- ▶ **Ontario's most vulnerable populations need access to supports** and services in areas like health, mental health, addictions, accessibility and seniors' supports to maintain their housing and their health.
- ▶ **Recognizing the strong linkages between housing, social services and health**, the Province must work towards greater funding alignment and collaboration among all relevant ministries, as well as between the Province, Local Health Integration Networks (LHINS), and Service System Managers.
- ▶ Municipalities and Service System Managers face significant limits in **stretching beyond their funding and mandates** to provide supportive housing in their communities.  
  
**Supportive housing is both a provincial and pressing priority**, and must be treated as such.
- ▶ **Streamline the provincial management and approach** to defining, measuring and verifying income across all "income-tested" programs, including rent-geared-to-income (RGI) housing, subsidized child care and early years services, and income support (Ontario Works).  
  
These programs are all coordinated and managed by Service System Managers, but are overseen provincially by different ministries, and subject to conflicting rules and requirements.
- ▶ **Service System Managers are leading the way** on integrating, simplifying and streamlining service delivery at the local level, to achieve better outcomes for both clients and taxpayers.  
  
To further this work, we must integrate how social policies and programs are designed and implemented at the provincial level as well.

## Working Together

OMSSA and its members look forward to working together with the provincial and federal governments to improve access and affordability across the full spectrum of housing options in communities across Ontario.

**The Ontario Municipal Social Services Association (OMSSA)** is a non-profit, non-partisan organization whose members are Ontario's Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs). By supporting, connecting and advocating for our members across Ontario, we help them to achieve their collective mission of delivering the best human services outcomes for Ontario's communities | [www.omssa.com](http://www.omssa.com)