


Hamilton

## INFORMATION REPORT

|                           |                                                                                               |
|---------------------------|-----------------------------------------------------------------------------------------------|
| <b>TO:</b>                | Chair and Members<br>Emergency and Community Services Committee                               |
| <b>COMMITTEE DATE:</b>    | December 5, 2019                                                                              |
| <b>SUBJECT/REPORT NO:</b> | Changes to Social Housing Regulations (HSC19068) (City Wide)                                  |
| <b>WARD(S) AFFECTED:</b>  | City Wide                                                                                     |
| <b>PREPARED BY:</b>       | Brian Kreps (905) 546-2424 Ext. 1782                                                          |
| <b>SUBMITTED BY:</b>      | Edward John<br>Director, Housing Services Division<br>Healthy and Safe Communities Department |
| <b>SIGNATURE:</b>         |             |

### COUNCIL DIRECTION

Not applicable

### INFORMATION

The Ministry of Municipal Affairs and Housing (MMAH) recently announced several regulatory changes regarding social housing that have important implications for people applying to live in social housing, social housing providers and the City of Hamilton as Service Manager.

#### Refusal to Offer a Unit due to Criminal Activity

Effective September 23, 2019, a social housing provider may refuse to offer a Rent-Geared-to-Income (RGI) unit to a household if a member of the household was previously evicted through an order of the Landlord and Tenant Board (LTB) based on an illegal act (commonly referred to as an "N6"). The housing provider must have reasonable grounds to believe the household would pose a risk to the safety of one or more other people at the housing project (e.g. other residents, staff). The issuance of an N6 due to illegal activity happens relatively infrequently and requires approval from the LTB. Housing Services staff will monitor to see if the number of N6 notices

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

increases and how frequently this reason is given by social housing providers to refuse units to prospective tenants.

#### Single Offer of a Social Housing Unit

MMAH has amended the *Housing Services Act, 2011* (HSA) to state that if a household refuses an offer of a social housing unit from the Service Manager they will no longer be eligible for RGI Assistance and will be removed from the waitlist for social housing. The offer must be for a social housing unit that the household has selected on the social housing waitlist and the unit must meet the Service Manager's policy for occupancy standards.

The policy change will impact a minority of households on the Access to Housing (ATH) Waitlist, as 80% of applicants currently accept their first offer of a RGI housing unit. 18% of households accept their second offer. The change may, however, cause some anxiety among applicants and make it increasingly important for applicants to make informed selections of potential social housing units. Housing Services will implement this policy January 1, 2021. Beginning in the first quarter of 2020, Housing Services will send information to current ATH applicants and request they review their selections to ensure that they are satisfactory.

#### Rent-Geared-to-Income (RGI) Calculation Simplification

The rules regarding the calculation of RGI rent have been simplified. The new approach uses 30 per cent of adjusted family net income determined, where possible, by the household members' net income amounts in their most recent notices of assessment. Previously, rent was calculated based on gross income less exclusions and deductions. The simplified process moves to annual reviews of eligibility and states that in-year reviews should only be done when there is a permanent change in household composition, a decrease in income of 20% or a change in full time student status. Additionally, households will no longer be required to report an increase in income before their next annual review. Previously, the expectation was that households would report changes in income immediately. The rules reduce the number of income exemptions. Households in receipt of social assistance will continue to pay RGI rent based on "scales" set out by the province.

These new rules for calculation of RGI rent will make the process easier for tenants and create greater predictability regarding the amount of rent they pay. Social housing providers will spend less time recording changes in income and recalculating rent which may free up staff time for other administrative activities. These changes may also create a more positive relationship between social housing providers and tenants as providers are no longer required to "police" tenants' incomes to the same extent.

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

The change in calculating rent based on net income will likely increase the City's costs, with all other things being equal, due to the increasing margin between market rent and the RGI base. Housing Services is working with Financial Planning, Administration and Policy Division within Corporate Services to understand the financial impact in preparation for the 2021 budget. MMAH has given Service Managers the option to implement the change on July 1, 2020 or July 1, 2021. Housing Services is planning to implement this change on July 1, 2021. This change is significant and will require training for social housing providers and supporting tenants to ensure they are aware of the changes and the requirement for filing their taxes.

**APPENDICES AND SCHEDULES ATTACHED**

Not Applicable