

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

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234-2021-1657

May 18, 2021

Your Worship
Mayor Fred Eisenberger
City of Hamilton
mayor@hamilton.ca

Dear Mayor Eisenberger:

Thank you for your correspondence outlining the impacts that Bill 204, the *Helping Tenants and Small Businesses Act, 2020* will have on the community housing sector within the City of Hamilton. We welcome continued feedback from our municipal partners and appreciate you sharing this information with us, including the financial assessment of the potential impacts.

Our government recognizes the critical role of our municipal partners and community housing providers in providing safe, stable and affordable housing to vulnerable members of our communities. We are also aware of the pressures the broader housing and homelessness sector is facing, and the great steps the community housing sector is taking to protect its residents and communities in response to the COVID-19 outbreak.

This is why our government has made multiple investments to respond to COVID-19 needs in the housing and homelessness sector. Under the federal-provincial Safe Restart Agreement (SRA), funding of up to \$4 billion has been committed in support of municipalities and transit systems. The funding is being provided through four different streams, which include Municipal Operating Funding and Ontario's Social Services Relief Fund (SSRF), both administered by my Ministry.

Using the Municipal Operating Funding, municipalities have the flexibility to use funding to address the priorities of their communities based on their unique COVID-related 2020 operating pressures.

Under the SSRF, my Ministry has made multiple investments in 2020-21 to Service Managers and Indigenous Program Administrators totalling \$765 million. This flexible funding is allowing local Service Managers and Indigenous Program Administrators to provide services and supports for vulnerable populations based on their local circumstances. The City of Hamilton has been approved for nearly \$37 million under the SSRF.

As you are aware, on October 1, 2020, the *Helping Tenants and Small Businesses Act, 2020* received Royal Assent. The Act amends the *Residential Tenancies Act, 2006* (RTA) to freeze rent in 2021 for nearly all rent-controlled and non-rent-controlled units to give the vast majority of tenants some relief during these unprecedented times.

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This includes units in community housing where tenants pay market rent and geared-to-income rent, as well as affordable rental housing units created through various federally and/or provincially funded housing programs. The freeze on rent increases applies to tenants in community housing and units in care and retirement homes in order to ensure that the most vulnerable residents, including low-income households and seniors, have the protections and stability they need during this time.

We recognize that the 2021 rent freeze will result in operational and financial impacts to many Service Managers and community housing providers, including the City of Hamilton. While the City of Hamilton may not directly offset revenue losses with SSRF funding, your staff may indirectly offset some of the rent freeze costs by using SSRF funding to offset other eligible municipal expenditures that would have been otherwise spent in the housing and homelessness sectors, potentially freeing up funding to help mitigate the revenue loss in 2021.

We will continue listening and learning from Service Managers and housing providers to monitor the impacts of the 2021 rent freeze. We value the City of Hamilton's willingness to share their perspectives and concerns as we move forward during this challenging time.

The sustainability of the community housing sector is a priority for our government and is directly tied to our goals under the Community Housing Renewal Strategy – to sustain, repair, and grow our community housing system, making it work better for the people it serves.

Once again, thank you for bringing these concerns to my attention. Please accept my best wishes.

Sincerely,



Steve Clark
Minister

- c. Donna Skelly, MPP Flamborough – Glanbrook
- Andrea Horwath, MPP Hamilton Centre
- Paul Miller, MPP Hamilton East – Stoney Creek
- Sandy Shaw, MPP Hamilton West – Ancaster – Dundas
- Monique Taylor, MPP Hamilton Mountain