

Response to Consultation Regarding Changes to O. Reg 367/11

This document outlines the City of Hamilton’s response to the Ministry of Municipal Affairs and Housing’s proposed regulatory changes to O. Reg 367/11 as outlined in proposal 21-MMAH031.

As a general comment, it should be noted that municipal Service Managers pay most of the operating costs associated with legacy social housing programs. In addition, the City of Hamilton has allowed providers to keep their full operating surplus and has provided municipally-funded capital dollars totalling \$3 M annually. The City of Hamilton has also provided used municipal tax dollars for capital contributions to the development of new community housing as well as annual rent subsidy for new community housing. These contributions are significant and still the costs of maintaining legacy social housing units grows beyond municipal means.

These investments have been made recognizing the significant need for affordable housing in Hamilton. Given limited municipal tax dollars, these investments are made by Council in careful consideration of the full range of municipal needs. While many aspects of the proposed regulatory changes are welcome, they cannot unilaterally impose additional costs to the municipal taxpayer.

Service Agreements:

The City of Hamilton supports the creation of a regulatory framework that would enable existing housing providers with matured operating agreements and mortgages to remain in the community housing system by signing a Service Agreement with their municipal Service Manager (SM) and spell out provisions governing entry of new housing providers into the community housing system.

While the current legacy social housing system’s focus on Rent-Geared-to-Income (RGI) and chronological coordinated access has its challenges, it provides useful underlying principles and common expectations for tenants, housing providers and SMs. Without a minimum framework, the SM and provider must negotiate each agreement separately. One of the primary challenges in the current environment is that agreements with the federal government for co-investment or rapid housing funding become the foundation for these agreements. These agreements reflect Canada Mortgage and Housing Corporation’s focus on risk management and securing the public investment and only minimal attention to the needs of tenants and SM.

- The framework must be flexible to reflect the needs of individual projects. Creating rigid expectations for funding arrangements could result in over or underfunding projects and unnecessary costs to the municipality.
- It should also speak to protections for affordability for existing tenants at the end of an agreement. Similarly, phase out periods at the end of agreements should be limited to ensure units are available for the full duration of the agreement.

- The new framework must remain committed to coordinated access. In an attempt to house tenants whom, they believe to be "lower risk", some housing providers prefer to hand select tenants rather than rely on coordinated access.
- It is also important to maintain the system of quasi-judicial review of decisions regarding social assistance. This provides a useful system to review decisions made by housing providers and the service manager regarding eligibility for housing assistance.
- Creation of the requirement for an exit agreement for providers whose mortgages have expired is also beneficial. Currently, when a federal provider's mortgage expires, the decision about what to do with the property is left largely to the non-profit board. In some cases, boards see the project as their asset and do not recognize the significant public investment made over the years. Exit agreements should require short- and long-term plans for the property and affordability to tenants.

Service Level Requirements:

The City of Hamilton appreciates the move to reform Service Level Requirements. The current requirements are based on the number of social housing units downloaded from the Province to the municipality in 2001. They also focus almost exclusively on Rent-Geared-to-income (RGI) assistance.

Any revised approach should include the considerations listed below:

- The focus should be expanded beyond RGI to reflect the variety of forms of assistance that are provided by Service Managers (SM) and that they meet different needs. A new system should include RGI assistance, assistance calculated according to the municipally-funded portable housing benefit formula even if it applied to properties, and units made available at 80% of Average Market Rent (AMR).
- The new service level standard should be negotiated regularly to reflect changing community need and current investments by both levels of governments.
- The renegotiation of service level standards could be tied to the regular renewal and update of 10-year housing and homelessness plans.
- Currently, the provincial government provides no funding for general administration of social/community housing programs. As a result, reporting expectations must not be expanded as this would result in additional costs to the municipality.

Access:

The current coordinated access system focuses exclusively on RGI. Legislatively, households offered other forms of assistance must remain on the centralized waiting list.

Changes to coordinated access should reflect the concerns listed below:

- Any form of assistance that results in “deep affordability” or a household paying no more than 30% of its net income in rent should be considered an offer of housing and those households should be removed.
- RGI rules currently state that households in receipt of provincially-funded social assistance pay on a discounted scale rather than a percentage of income. This makes RGI assistance very expensive for providers and municipalities to offer. Allowing SM to offer assistance that requires social assistance recipients to pay the maximum shelter allowance would stretch limited municipal tax dollars further.
- The basic requirements of eligibility and coordinated access should be included in any new agreements discussed above.
- Provincial rules need to support better integration between By-Name Priority Lists for people experiencing homelessness and coordinated access to community housing. SMs are required to operate both systems, but the logic of the two systems is hard to reconcile, yet they are expected to work in tandem.
- Coordinated access is funded directly by municipalities. Hamilton’s coordinated access system has no capacity to provide additional services or forms of assistance without funding from the provincial government.