




**CITY OF HAMILTON**  
**HEALTHY AND SAFE COMMUNITIES DEPARTMENT**  
**Housing Services Division**

<b>TO:</b>	Chair and Members Emergency and Community Services Committee
<b>COMMITTEE DATE:</b>	November 2, 2023
<b>SUBJECT/REPORT NO:</b>	Canada-Ontario Housing Benefit Agreement 2023-2025 (HSC23071) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Sam Hanna (905) 546-2424 Ext. 2835 Brian Kreps (905) 546-2424 Ext. 1782
<b>SUBMITTED BY:</b>	Michelle Baird Director, Housing Services Division Healthy and Safe Communities Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the City enter into an amending agreement to the existing Transfer Payment Agreement dated April 1, 2020, with His Majesty the King in right of Ontario as represented by the Minister of Municipal Affairs and Housing and the Minister of Finance for the Province of Ontario in respect of the Canada-Ontario Housing Benefit for the allocation of funding for the years 2023 to 2025; and
- (b) That the General Manager of Healthy and Safe Communities, or her designate, be authorized and directed to execute the amending agreement and any ancillary documents, with content satisfactory to the General Manager of Healthy and Safe Communities and in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

The Canada-Ontario Housing Benefit is a portable housing benefit paid directly to qualifying households and applied towards the cost of a private market rental unit or an unsubsidized Community Housing unit. The Canada-Ontario Housing Benefit was launched in April 2020 by the Province of Ontario under the National Housing Strategy and has since been an important tool to address housing affordability in Hamilton. The Housing Services Division has used the Canada-Ontario Housing Benefit to provide long term affordability to people whose time-limited housing

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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.

allowances were scheduled to end. The Housing Services Division has also worked closely with community partners to connect households experiencing homelessness with the Canada-Ontario Housing Benefit. In 2022, 429 households in Hamilton were granted a Canada-Ontario Housing Benefit enabling them to find and maintain stable housing.

The role of the Service Manager is to identify and select eligible households, assist with completion of the application and submit it to the Ministry of Finance. Each Service Manager has been allocated a portion of the total funding. Hamilton's initial allocation for the 2023-24 fiscal year is \$1,462,000. It subsequently received an additional allocation of \$1,076,400 to support pressures in the emergency shelter system with an emphasis on asylum seekers for a total 2023-24 funding allocation of \$2,538,400.

On August 17, 2023, the Province provided the 2023-24 Funding Allocations for Provincially-Delivered National Housing Strategy Initiatives. The allocation included another extension of the Canada-Ontario Housing Benefit. As a part of the current allocation, the Province included an amendment to the previous Transfer Payment Agreement, which includes updates to program guidelines. The amended agreement must be signed by the Service Manager or its designate. The amendments to the original agreement were made to address rapid increases in rent across the province by updating the monthly payment calculation effective July 1, 2023 to increase benefit amounts for many households.

The revised calculation of the benefit, based on 100% of average market rent, up from 80% should result in higher benefit amounts for many households. The amendment also includes reference to the ability to make an application on-line and adjusts language regarding administration costs from 5% to "Funding for administration costs per Fiscal Year shall not exceed the amount set by the ministry in its sole discretion and communicated to the Service Manager each Fiscal Year". Finally, the amended agreement identifies new priority groups that the Service Manager can identify as potential applicants for the benefit, including young adults, victims of gender-based violence and youth leaving the child welfare system.

### **Alternatives for Consideration – Not Applicable**

### **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The benefit is administered by the Province of Ontario; therefore, the City will not receive any program funding directly and is consistent with the existing Transfer Payment Agreement. Previously, the City's administration funding was capped at \$250 per approved household. In the amended Transfer Payment Agreement, the cap has been removed,

and the City will receive administrative funding of \$250 per approved household. This will total approximately \$80,000 (or \$3.2% of the total allocation) for Hamilton for the 2023-24 fiscal year based on an estimate of 320 successfully completed applications. The funding is intended to cover staffing costs associated with assisting applicants through the process.

Staffing: N/A

Legal: Legal staff have raised several concerns with previous Transfer Payment Agreements, which remain applicable to the Transfer Payment agreement and the proposed amending agreement in respect of the Canada-Ontario Housing Benefit, or, including but not limited to:

- The powers of the Province to require certain matters or actions are broad, vague and entirely within the discretion of the Province. There is little or no ability for the City to question the Province's actions under the Agreement.

The amending agreement includes an amendment which deletes a clause providing that funding for the City's administration costs cannot exceed 5% of the City's annual planning allocation for a fiscal year and replaces it with content that permits the Ministry of Municipal Affairs and Housing to unilaterally and in its sole discretion determine the maximum amount of funding for the City's administration costs. Accordingly, the City may be allocated less than 5% or more than 5%.

As noted in Report HSC23029, Housing Services Division staff have previously brought these concerns to the attention of the Ministry of Municipal Affairs and Housing who advised that there is no negotiation of the terms of the Transfer Payment Agreement. Therefore, if the City wishes to continue receiving Canada-Ontario Housing Benefit funding, it is required to sign the Agreement as is.

## **HISTORICAL BACKGROUND**

On November 22, 2017, the Federal Government released Canada's first National Housing Strategy. The Strategy's vision is to ensure Canadians have access to housing that meets their needs and is affordable. One of the programs announced under the Strategy was a portable housing benefit.

In December 2019, the Federal Minister of Families, Children and Social Development and the Ontario Minister of Municipal Affairs and Housing jointly announced the creation

of the Canada-Ontario Housing Benefit starting April 1, 2020. Financial allocations were also provided to Service Managers.

On February 12, 2020, the Ministry of Municipal Affairs and Housing released guidelines providing a framework for the Canada-Ontario Housing Benefit designed to assist Service Managers with their administration of the program.

On August 17, 2023, the Province provided the 2023-24 Funding Allocations for Provincially-Delivered National Housing Strategy Initiatives. The allocation included another extension of the Canada-Ontario Housing Benefit. As a part of the current allocation, the Province included an amendment to the previous Transfer Payment Agreement that must be signed by the Service Manager or its designate.

The amended agreement will include a revised calculation of the benefit, based on 100% of average market rent, up from 80%. The new calculation should result in higher benefit amounts for many households. The amendment also includes reference to the ability to make an application on-line and adjusts language regarding administration costs from 5% to “Funding for administration costs per Fiscal Year shall not exceed the amount set by the ministry in its sole discretion and communicated to the Service Manager each Fiscal Year”.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

As detailed in Report HSC20013, *The Housing Services Act, 2011* (The Act) requires Service Managers to operate a Centralized Waiting List for Rent-Geared-to-Income assistance. In Hamilton, this is the Access to Housing list. The Canada-Ontario Housing Benefit program guidelines state that to receive the benefit, households must be on or eligible to be on the Centralized Waiting List.

The program guidelines lay out priority groups the Province has identified to be served through the Canada-Ontario Housing Benefit. Service Managers may identify who among the priority groups they wish to serve.

The *Act* also establishes the eligibility criteria for households to receive Rent-Geared-to-Income assistance, rules for the order in which people may be offered Rent-Geared-to-Income assistance and what is considered an offer of housing. The Canada-Ontario Housing Benefit offers deep affordability and is counted as an offer of housing under the provincial rules. Given the long waits for Rent-Geared-to-Income housing, the Canada-Ontario Housing Benefit will be offered to eligible priority households as a quicker alternative.

## **RELEVANT CONSULTATION**

Canada-Ontario Housing Benefits for households experiencing homelessness are allocated through the By-Name Priority List process. Community partners have been consulted in the development of the allocation guidelines.

Legal Services staff have previously reviewed the Transfer Payment Agreement and noted areas of potential risk to the municipality. Legal Services staff also reviewed the amending agreement.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The supply of Rent-Geared-to-Income housing available through the Access to Housing waitlist is not sufficient to meet demand. As was highlighted in report HSC20013, the Canada-Ontario Housing Benefit is an important tool to address the demand for affordable housing in Hamilton as eligible households may apply the benefit to their rent in any unsubsidized unit.

The development of new social housing stock is a lengthy process hindered by financial restraints. The Canada-Ontario Housing Benefit represents a long-term portable housing benefit that can be used immediately to address the needs of households currently experiencing or at risk of homelessness. Because the Canada-Ontario Housing Benefit is not tied to a Rent-Geared-to-Income unit, it can help applicants access affordable housing quicker. It can be applied to a private market rental unit where someone is currently living or be applied to a new unit. It is also portable and moves with the person whether that is to another unit or another city in Ontario. As the benefit is funded entirely by upper tiers of government it represents a financially viable tool in Hamilton's work addressing the housing crisis.

The By-Name List identifies everyone known to be experiencing homelessness in our community. It is used by providers across the homeless-serving system to understand the housing history, needs, and preferences of individuals to support our coordinated access system for connecting people to the right housing resources that best support their needs. By using resources such as the By-Name list, Housing Services can better target homeless residents, victims of abuse and households whose housing allowances are ending as priority groups to receive this benefit.

## **ALTERNATIVES FOR CONSIDERATION**

N/A

## **APPENDICES AND SCHEDULES ATTACHED**

N/A