

Number of households and buildings supported by rent subsidies provided by the City and the overall funding amounts from levels of government:

All subsidies help protect housing affordability by covering a portion of the tenant’s rent and are paid directly from the City of Hamilton to the landlord for the unit being occupied. Rent subsidies include rent supplements, rent-geared-to-income subsidies, and housing allowances.

In 2023, there were approximately 45 Non-Profit property owners, of which 38 were social housing providers, and 114 for-profit property owners administering some form of rent subsidy.

The charts below show the breakdown of rent subsidies and their funding source. Buildings are double counted if landlords provide more than one type of rent subsidy for tenants in the same building. Data reflects a point-in-time analysis.

Rent Subsidy Summary Chart – Number of Units

Type of Rent Subsidy	# of units/households supported	# of buildings
Rent supplement (2023)	1,216	200
Housing allowances (2023)	295	207
Rent-geared-to-income (2022)	6,744	953
Total	8,255	1,360

As a result of the cyber-incident and lack of CityHousing Hamilton data, rent-geared-to-income data is based on 2022 rather than the 2023 year-end reporting.

Staff also attempted to analyze data by ward but, due to the cyber-incident and a lack of access to databases, a breakdown of subsidized units and buildings by ward was not possible.

Rent Subsidy Summary Chart- Funding (as of December 2023)

	Municipal Funding	Provincial Funding	Federal Funding
Rent Supplements	\$4,541,847.35	\$4,004,050.90	\$452,975.74
Housing Allowances	\$487,479.73	\$984,507.25	-
Social Housing Provider Subsidies	\$29,410,291.70	-	\$11,012,035.00
Total funding	\$34,439,618.78	\$4,988,558.15	\$11,465,010.74

As of December 2023, the City of Hamilton provided approximately 8,255 rent subsidies at a cost of \$50,893,187.67 of which \$34,439,618.78 was from municipal funding sources.

Nature of the relationship between the City and the landlord, the City and the tenant, and the City:

Defining Substandard tenant conditions

There is no single legal standard by which substandard tenant conditions in a residential rental unit can be defined, resulting in a certain degree of subjectivity. There are, however, several legal mechanisms through which substandard tenant conditions can be understood:

- City of Hamilton By-Laws (e.g., Property Standards By-Laws)
- Provincial legislation/Acts (e.g., The Residential Tenancy Act)
- Residential Tenancy Agreements (i.e., standard lease)
- Provincial Codes (e.g., fire, building, etc.)

Various legislation, such as the *Fire Protection and Prevention Act, 1997, S.O. 1997 c.4* (fire code), *Building Code Act, 1992, S.O.1992, c.23* (building code), and the City of Hamilton Vital Services By-law 23-161 define substandard from the perspective through which they were drafted. Both the *Residential Tenancies Act, 2006, S.O.2006, c.17* (Residential Tenancy Act) and the *Housing Services Act, 2001, S.O.2011, c.6, Sched.1* (Housing Services Act) state the need for units to be maintained in a 'satisfactory' or 'good' state of repair and 'fit for occupancy' but do not further define these terms. The most thoroughly described standards for rental units and residential buildings are contained in the City of Hamilton's Property Standards By-law 23-162 and Safe Apartment Buildings By-law 24-054. Conditions that lead to substandard conditions in a rental unit can be a result of either landlord or tenant actions or inactions. However, it is unclear when and how frequently tenant living conditions should be appraised. Applicable excerpts from the Acts can be provided if requested.

Contracts with Landlords for Rent Subsidies

Contractual relationships with landlords are one of several mechanisms that allow the City to define the standards for rented units. The terms of the agreement for rent subsidies vary depending on type of rent subsidy received and the nature of the agreement entered. All rent subsidy agreements with the City of Hamilton require that the units and building are clean, fit for habitation and kept in a satisfactory state of repair. Landlords with agreements are bound to the terms described in those agreements. Furthermore, agreements between the City of Hamilton and landlords reference the need to comply with other legislation to ensure that landlords are maintaining units and buildings in a habitable and safe condition.

Staff reviewed rent subsidy agreements to determine obligations to tenants and remedies for failing to meet these obligations. Agreements reviewed can be found in Appendix B.

Legislative requirements under Provincial Acts and Municipal By-Laws

The province governs residential landlords and tenants through the *Residential Tenancies Act*. This Act provides for obligations of maintenance on the landlord and an opportunity for the Board to intervene when there is non-compliance with obligations. The *Housing Services Act* requires that housing providers listed under this Act maintain their projects in a satisfactory state of repair and fit for occupancy. Service Managers are expected to assist housing projects not meeting these requirements either through additional funding or by applying remedies to the project. Other Provincial Acts reviewed such as the *Ontario Building Act* and the *Fire Protection and Prevention Act* allow for the governing standards to apply to buildings to ensure the health and safety of the inhabitants. A summary of legislation related to the regulation of rental conditions was drafted and can be shared upon request.

The Safe Apartment Building By-law, recently passed by the City of Hamilton, applies minimum maintenance standards to rental units within an apartment building and the apartment building itself. The Safe Apartment Buildings By-law establishes a process for tenant service requests and proactive inspections. Furthermore, landlords are required to have plans in place for ensuring the upkeep of their building. Supporting documentation submitted to the City includes:

- Integrated Pest Management Plan
- Cleaning Plan
- Waste Management Plan
- State of Good Repair Plan
- Electrical Maintenance Plan
- Vital Services Disruption Plan

Responsibility for compliance of the improved Property Standards By-law falls on the Owner of the property or unit. This By-law details the minimum standard for all property in the City of Hamilton to be habitable and safe, for example, it specifies interior structural components for floors, ceilings, walls, interior lighting, windows, security requirements, plumbing and ventilation.

Rent Supplements and Housing Allowances – Relationship of Service Manager to Landlord

Rent supplements and housing allowances are forms of rent subsidy that are paid to the landlord on behalf of the tenant and secured with either an informal or formal agreement between the landlord and the City of Hamilton.

Enticing private landlords to participate in the rent subsidy program can be challenging. Landlords could choose to rent these units at a higher market rent to other individuals and forego a relationship with the City, especially if they are not community housing providers and do not have a community housing mandate. Given the ease with which units could be rented through market, the City allows private landlords to participate in our program without signing a formal agreement.

For providers with a rent subsidy agreement, the agreement is clear that the rent subsidy tenant should be treated as other tenants; that units must be fit for habitation, kept in a satisfactory state of repair, and in compliance with applicable law such as *Building Code* and *Fire Code* requirements. Depending on the agreement, (or lack thereof), there may be limited recourse for the Service Manager for rent subsidy units kept in poor condition based on an agreement itself (other than canceling, suspending, or terminating the agreement). However provincial legislation and local By-laws provide greater mechanisms through which substandard conditions can be addressed.

Rent-gear-to-income subsidies – Relationship of Service Manager to Landlord

There is far greater accountability and enforceability with respect to unit upkeep for social housing providers compared to other landlords. Of all types of agreements, the Service Agreement provides Service Managers the greatest oversight of Housing Providers, including the power to implement a strong set of remedies, at the most extreme, the ability for the Service Manager to take over and manage the project..

A new operating agreement has been drafted for Housing Projects that are reaching their End of Mortgage and will now become part 7.1 Housing Projects under the *Housing Services Act*. Like other agreements, the new operating agreement requires that all units are maintained in a satisfactory state of repair, fit for occupancy, and complies with all applicable laws. The proposed operating draft agreement contains substantially the same enforcement mechanisms as those proposed under the *Housing Services Act*.

The City of Hamilton's accountability to tenants receiving rent subsidies

While rent subsidy tenants can feel assured that the City will pay the remaining balance for the unit so long as they remain eligible, the City is not a party to the contractual

relationship between the tenant and the landlord. Agreements clearly state that the 'normal' landlord-tenant relationship exists between the building owner and the rent subsidy tenant.

Similarly, while tenants must maintain eligibility and supporting documents, there is no contractual relationship between the tenant and the City. Furthermore, agreements state "The Service Manager shall not be responsible to the Landlord for any breach of or failure by the Rent Supplement Tenant to observe any of the terms of his lease with the Landlord, including the covenant to pay Rent."

Current and proposed processes and mechanisms to support adequate tenant living conditions

Currently, the Hamilton Tenant Defence Program offers tenants resources, as do the staff of the Housing Services Division. Additionally, tenant information is posted on the City of Hamilton's website.

The Hamilton Tenant Support Program provides tenants with even greater access to resources to support tenants' rights and provides a mechanism through which their concerns can be voiced; this includes concerns related to substandard rental living conditions.

The proposal to expand the Tenant Defence Program includes coverage for T-6's, tenant applications for maintenance on their units. Additional information about this support program can be found in Report HSC23023(b) (City Wide) "Hamilton Tenant Support Program" approved by Committee on August 17, 2023.

The Hamilton Tenant Support Program was presented in tandem to a full suite of municipal law enforcement mechanisms to increase landlord to tenant accountability. Specifically, the new Safe Apartment Buildings By-law regulates apartment building property standards and registration of apartment buildings, while updates to the City's Vital Services and Property Standards By-laws better regulate the supply of vital services and proscribe clearer standards for the maintenance and occupancy of rental properties.

These By-laws, along with other legislation and building codes, currently regulate building conditions including obligatory services/repairs and maintenance expectations. Requiring management, maintenance and repair plans will help to improve substandard rental conditions throughout the city of Hamilton, which will also reduce the likelihood of a renoviction occurring in the long-term.

Under the new program, all buildings, including those with rent subsidies, will be evaluated/inspected by September 2027. Based on the evaluations and scoring,

buildings will continue to be evaluated at least every 3 years (and more frequently should they score poorly or below standard).

While not specific to rent subsidy units, by being all-encompassing, these new supports and By-laws will impact the standards for several types of rental buildings in the City of Hamilton, including units being funded through the municipality.

Proposed changes to current practice to improve conditions for tenants

To determine the scope of this issue, staff propose that communication between Social Housing Services Division and Licensing and By-law Services be strengthened. Specifically, staff have identified the need to cross reference property standard violations with subsidized rental units. A process for Housing Services Staff to receive data from Licensing and By-law Services for landlords in receipt of rent subsidies will be developed. This data will also be reported on in the annual Social Housing Update Report.