



CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Housing Services Division

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	February 21, 2024
SUBJECT/REPORT NO:	Authority to Enter into Rent Supplement Agreements Under Various Programs (HSC24005) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	George Gambioli (905) 546-2424 Ext. 4840 Brian Kreps (905) 546-2424 Ext. 1782
SUBMITTED BY:	Michelle Baird Director, Housing Services Division Healthy and Safe Communities Department
SIGNATURE:	<i>Michelle Baird</i>

RECOMMENDATION(S)

- (a) That the City provide rent supplements and enter into Rent Supplement Agreements under the Ontario Community Housing Assistance Program and Commercial Rent Supplement Program with Housing Providers determined by the General Manager of the Healthy and Safe Communities Department and subject to:
- (i) The terms and conditions contained in Appendix “A” to Report HSC24005;
 - (ii) Additional terms and conditions as determined by the General Manager of the Healthy and Safe Communities Department and the City Solicitor that do not conflict with those in Appendix “A” to Report HSC24005;
 - (iii) In a form satisfactory to the City Solicitor; and
 - (iv) That the General Manager of Healthy and Safe Communities Department be authorized and directed to execute the agreements and any ancillary documents thereto and enter into and execute any ancillary agreements thereto;

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.

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- (b) That the General Manager of Healthy and Safe Communities Department be authorized to amend any Rent Supplement Agreement entered into as a result of the approval of Recommendation (a) of Report HSC24005 so long as the terms and conditions are consistent with said recommendation; and
- (c) That, subject to the availability of funding, the General Manager of Healthy and Safe Communities Department be authorized to extend the term of any Rent Supplement Agreements entered into as a result of the approval of Recommendation (a) of Report HSC24005 on the same terms and conditions and any additional terms not inconsistent with Appendix "A" of Report HSC24005 for such period of time not exceeding five years and be authorized to make further extensions within the same parameters as the General Manager of Healthy and Safe Communities Department deems appropriate.

EXECUTIVE SUMMARY

Rent supplements reduce the cost of housing for qualified individuals and families in residential rental units operated by Community Housing Providers and private landlords. The tenant's portion of the rent is calculated based on their income. The rent supplement, which is the difference between the tenant's portion and the market rent, is paid directly to the landlord on a monthly basis. The rent supplement agreement is between the landlord and the City of Hamilton.

Both the Ontario Community Housing Assistance Program and Commercial Rent Supplement Program rent supplement funding were administered and funded by Ministry of Municipal Affairs and Housing from the mid-1980's until 2001. In 2001 the Province of Ontario under the *Social Housing Reform Act, 2001* downloaded the administration and funding associated with social housing to the City of Hamilton. The City of Hamilton then entered into Ontario Community Housing Assistance Program and Commercial Rent Supplement Program Funding Agreements with the Community Housing Providers utilizing the same Rent Supplement Agreements that were previously administered by the Ministry of Municipal Affairs and Housing.

The majority of the Community Housing Providers and buildings that receive Ontario Community Housing Assistance and Commercial Rent Supplement Program funding have been funded since 2001. Only a small number of housing units have been added over time and some Community Housing Providers have opted out of these rent supplement programs over time and do not fill any vacant units utilizing this funding.

After more than 20 years of operating these programs, the current authority to enter into these agreements is vague. Clear approval to operate these programs and delegated authority to enter into agreements is being requested.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The budget for each of the rent supplement programs appears in Table A below. The funding for these programs is largely Municipal with a small contribution from the Federal government social housing transfer.

Table A – Proposed 2024 budget for Ontario Community Housing Assistance Program and Commercial Rent Supplement Program.

Program	Municipal Tax Levy	Federal Contribution	Total
Ontario Community Housing Assistance Program	\$2,745,615	\$326,716	\$3,072,335
Commercial Rent Supplement Program	\$1,186,291	\$10,135	\$1,196,431

Staffing: N/A

Legal: As legacy social housing programs, these funding agreements were executed by the General Manager of the Healthy and Safe Communities Department. However, Legal Services recommends that City Council formally grant authority to enter into these agreements and further delegate authority to the General Manager to execute these agreements moving forward. This is the process for all other social housing funding where formal agreements are executed between the Community Housing Provider and the City of Hamilton. Report HSC24005 also recommends the General Manager be provided with delegated authority to amend the agreements and extend their terms.

The current Ontario Community Housing Assistance Program and Commercial Rent Supplement Program rent supplement agreements are the same as the ones that were previously utilized by the Ministry of Municipal Affairs & Housing prior to the download of social housing to Municipalities in 2001. A new rent supplement agreement will be developed to ensure that all requirements are being met.

HISTORICAL BACKGROUND

The Ontario Community Housing Assistance Program and the Commercial Rent Supplement Programs were included as part of the downloading of social housing to Municipalities in December 2001. As part of the transfer, these Provincially funded rent

supplement programs became administered by the City, as Service Manager, pursuant to the *Housing Services Act, 2011* (the “Act”).

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The *Housing Services Act, 2011* (“Act”) requires that the Service Manager maintain a Service Level of 9,257 Rent-Geared-to-Income (RGI) units. The RGI units funded by both the Ontario Community Housing Assistance Program and Commercial Rent Supplement Program Rent Supplement Funding are included in the Service Level for RGI units in the City of Hamilton.

RELEVANT CONSULTATION

Corporate Finance has confirmed the financial information contained in this report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Rent Supplement programs are important because they reduce the cost of housing for qualified individuals and families in housing operated by Community Housing providers and private landlords. Households receiving rent supplements funded under the Ontario Community Housing Assistance Program and Commercial Rent Supplement program pay Rent-Geared-to-Income which means their rent is no more than 30% of their net household income.

Ontario Community Housing Assistance Program was originally created to extend affordability and protect tenancies in former Federal social housing projects once their mortgages were paid off. This has been a valuable tool to encourage these projects to remain part of the social housing system instead of increasing rents or selling their properties. There are currently 530 Ontario Community Housing Assistance Program rent supplement units in 11 non-profit buildings.

The Commercial Rent Supplement Program was developed to provide affordability to units in private market buildings. Over time this has been an important strategy to expand the supply of affordable housing and reduce the pressure on non-profit and community housing providers. There are currently 145 Commercial rent supplement units in 14 buildings. Two of the buildings are owned by Community Housing Providers and the balance are owned by private sector landlords.

The City also offers rent supplements funded by the Homelessness Prevention Program (HPP) which is an initiative of the Provincial government. HPP replaced the Strong Communities program. The program provides funding for regular rent supplement units, as well as supportive housing units in partnership with the Ministry of Health and Long-Term Care and the Ministry of Community and Social Services. Like its predecessor,

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HPP is 100% Provincially funded and does not count toward Hamilton's mandated Service Level Standard. HPP funds 186 rent supplement units in 15 buildings at a projected cost of \$2,2443,453 for 2023-24.

The newest rent supplement program is the Canada-Ontario Community Housing Initiative rent supplement program which is funded by the Provincial and Federal governments. The Canada-Ontario Community Housing Initiative is exclusively for use with *Housing Services Act 2011* housing providers and is targeted to providers who have reached End of Agreement or End of Mortgage. There are currently 207 rent supplement units being provided in 8 buildings and 109 scattered units at a cost of \$1,229,418 in 2023.

Hamilton is experiencing a housing affordability crisis. The Housing Sustainability and Investment Roadmap's four-pillar approach includes the retention of affordable housing units as one of their objectives. Retaining current units through rent supplements is timelier and more cost-effective than constructing new units. This would protect the tenants currently receiving a rent supplement and extend the affordability of these housing units. The need for social housing can be seen in the Access to Housing waitlist which sat at 6,111 as of December 31, 2022. Households receiving Ontario Community Housing Assistance Program and Commercial Rent Supplement Funding generally come from the Access to Housing waitlist.

The current agreements being utilized are outdated and need to be reviewed and revised by Legal Services to meet all current legislation under the *Housing Services Act 2011*. It is important to provide continuity by funding existing agreements. It is important to increase these rent supplements each year by the annual rent increase guideline to keep pace with rents.

ALTERNATIVES FOR CONSIDERATION – Not Applicable

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report HSC24005 – Term Sheet