
REPORT TITLE: **Canada-Ontario Housing Benefit Program and Regulatory Changes to Subsidy Administration**

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the participation by the Regional Municipality of Peel in the Canada-Ontario Housing Benefit program be approved;

And further, that the Commissioner of Human Services be delegated authority to execute the transfer payment agreement between the Ministry of Municipal Affairs and Housing and the Ministry of Finance;

And further, that the Commissioner of Human Services be authorized to approve the use of funding allocated to The Regional Municipality of Peel under the Canada-Ontario Housing Benefit program;

And further, that the Director of Housing Services be delegated authority to execute any other agreements and other related documents to administer the Canada-Ontario Housing Benefit program activities, on business terms satisfactory to the Commissioner of Human Services and on legal terms satisfactory to the Regional Solicitor.

REPORT HIGHLIGHTS

- To help address the growing pressures faced by the housing and homelessness system, the federal and provincial governments are implementing two changes to subsidy administration:
 - The Canada-Ontario Housing Benefit, which will provide portable housing subsidies to households who are on the centralized wait list, or eligible to be on the centralized wait list and;
 - Regulatory changes to the *Housing Services Act, 2011*, including simplified rent-geared-to-income calculations and a single offer of rent-geared-to-income subsidies.
- This report is requesting approval to participate in the Canada-Ontario Housing Benefit and receive reimbursement funds through the Transfer Payment Agreement.
- Staff has prepared a communication plan to ensure that staff, Councillors, clients and residents are aware of the changes.
- Members of Regional Council will be notified when changes are about to take place and will be provided with communication materials to assist with constituent inquiries.

DISCUSSION

Canada-Ontario Housing Benefit Program and Regulatory Changes to Subsidy Administration

1. Background

On February 13, 2020, Council received a report from the Commissioner of Human Services entitled “Housing and Homelessness Services – Aligning Resources to Address Urgent Needs”. That report provided an overview of the growing pressures faced by the housing and homelessness system:

- The needs of the Region of Peel’s most vulnerable clients are becoming more complex;
- The demand for homelessness services is exceeding capacity;
- The market prices for homes and rental units are unaffordable, and;
- The rental vacancy rate is at an all-time low.

Current legislative requirements related to housing subsidy administration further exacerbates these pressures. The regulations under the *Housing Services, 2011* (“*Housing Services Act*”) are restrictive and inflexible, making it difficult to fill vacancies, flow subsidy in a timely manner and help households with the greatest need.

To mitigate some of the current challenges faced by Service Managers across Ontario, the federal and provincial governments have announced two primary changes to subsidy administration:

- The introduction of the Canada-Ontario Housing Benefit program, and;
- The implementation of regulatory amendments to the *Housing Services Act*.

The purpose of this report is to seek Council’s approval to participate in the Canada-Ontario Housing Benefit program and to provide Council with an overview of the *Housing Services Act* regulatory changes

2. Canada-Ontario Housing Benefit Program

a) Overview

The Canada-Ontario Housing Benefit is a federal-provincial portable housing subsidy program launching in April 2020. The purpose of the program is to increase the affordability of rental housing by providing a portable subsidy directly to eligible households who are on, or eligible to be on, the centralized wait list. This means that the subsidy is tied to the household, not the unit, so recipients have the flexibility to choose where they live. To receive the subsidy under this program, households must consent to be removed from the centralized wait list, if they are on it, in their service area.

The Province expects that this program will support over 5,000 households across Ontario within the first year. It is hard to predict how many residents will be supported in Peel, as the subsidy amount fluctuates based on income and rental costs. Previous experience with provincially administered portable subsidy programs reveal that many clients in Peel choose not to participate, rather they prefer to wait for a rent-geared-to-income subsidy, where the level of financial support provided may be higher.

Administration

The program will be administered through the Ministry of Finance and Service Managers will identify potential eligible households and assist them with the application process. The following vulnerable populations will be prioritized for support:

Canada-Ontario Housing Benefit Program and Regulatory Changes to Subsidy Administration

- Survivors of domestic violence and/or human trafficking
- Persons experiencing or at-risk of homelessness;
- Indigenous persons;
- Seniors, and;
- People with disabilities.

The program will replace Ontario's Portable Housing Benefit – Special Priority Policy, which the Region has participated in since 2018. Current recipients of this benefit will be transitioned to the new program.

b) Funding

The program will allocate the following incremental amounts to assist households approved in Peel's service area for the first two fiscal years:

- 2020-21: \$2,474,524
- 2021-22: \$3,242,361

The Region can claim reimbursement funds for the following:

- First and/or last month's rent provided to eligible households, and;
- Administrative costs (\$250 per approved household).

Through this report, staff is seeking Council approval to participate in the Canada-Ontario Housing Benefit program and accept the reimbursement fund as it becomes available through the Transfer Payment Agreement. The program is ongoing, so the agreement does not stipulate an end date.

3. Regulatory Changes to the *Housing Services Act*

a) Overview

The Province has announced regulatory changes which are intended to help Service Managers streamline processes and manage centralized wait lists more efficiently and effectively. The Region is supportive of these changes and has been advocating for similar amendments to the provincial legislation.

b) Changes

The key areas of change are summarized below:

- Housing providers may refuse a unit to a household due to a criminal act by a member of the household retroactively effective September 2019.
- Simplified rent-geared-to-income calculations and exempt income for students effective July 2021, including increased minimum rent charges effective July 2020.
- Applicants will be required to accept the first offer of housing effective January 2021. Previously, applicants could refuse three offers before being removed from the centralized wait list. Service Managers have the latitude to make exceptions based on individual circumstances.
- Tenants can transfer between housing providers without having to re-apply to the centralized wait list. This change is not mandatory. Note that the current technology being used to administer the centralized wait list in Peel makes this infeasible, however, as technology is updated, this will be explored.

Canada-Ontario Housing Benefit Program and Regulatory Changes to Subsidy Administration

c) Communicating the Changes

Staff has prepared a communication plan to ensure that staff, Councillors, clients and residents are aware of the changes. The Regional website will be used to provide an overview of the changes, while clients who are directly impacted will receive communication through letters and/or telephone calls. Members of Regional Council will also be notified via email when changes are about to take place and will be provided with communication materials to assist with constituent inquiries.

Staff will ensure that clients are equipped with the information they need to make informed decisions about the type of support they wish to pursue and/or receive.

RISK CONSIDERATIONS

Canada-Ontario Housing Benefit Program

The program offers an alternative to waiting for rent-geared-to-income subsidies through the centralized wait list. The amount of financial support provided through the program, however, may be lower than through rent-geared-to-income subsidies. The support under this program is not stackable, meaning it cannot be combined with other subsidies. As a result, some applicants may choose to remain on the centralized wait list to receive the larger benefit if they feel it will be beneficial to their housing stability.

Regulatory Changes to the *Housing Services Act*

It is anticipated that the Province's regulatory changes will lead to negative reactions from ongoing rent-geared-to-income subsidy recipients and/or applicants on the centralized wait list. To manage these changes, the Region of Peel will employ change management tactics through a communication plan to ensure that households are aware of what is happening and how it will impact them. The Region will also document the feedback received from these households to relay back to the Ministry of Municipal Affairs and Housing and advocate for adjustments as required.

FINANCIAL IMPLICATIONS

Canada-Ontario Housing Benefit Program

The program will be administered and delivered by the Ministry of Finance with assistance from Service Managers and the Ministry of Municipal Affairs and Housing. The portable housing benefits will be funded by the Province and there is no net impact to the Region of Peel as a result of participation in this program.

The Region's role will focus on assisting applicants through the process and as such, the Province will provide \$250 for each approved household the Region supports through the application process, to offset administration expenses. The Province will also reimburse the Region for first month's rent and last month's rent paid by the Region to program participants, resulting in no net impact to the Region.

Canada-Ontario Housing Benefit Program and Regulatory Changes to Subsidy Administration

Regulatory Changes to the *Housing Services Act*

The simplification of rent-geared-to-income calculations and the reduction in offer refusals will result in administrative efficiencies. Staff will report back to Regional Council on savings or potential offsets.

CONCLUSION

The federal and provincial changes outlined in this report will help to improve the administration of subsidies in Peel, from rent-geared-to-income to portable housing subsidies. Staff is also exploring Regional changes that can be made to improve the efficiency and effectiveness of subsidy administration. These changes will be proposed to the Strategic Housing and Homelessness Committee in 2020.

The outcomes from the Canada-Ontario Housing Benefit program will be reported to Regional Council through the annual Housing Services update.

For further information regarding this report, please contact Aileen Baird, Director, Housing Services, extension 1898, aileen.baird@peelregion.ca.

Authored By: Shannon Gander, Project Manager

Reviewed and/or approved in workflow by:

Department Commissioner, Division Director, Financial Support Unit and Legal Services.

Final approval is by the Chief Administrative Officer.



N. Polsinelli, Interim Chief Administrative Officer