
REPORT TITLE: **Service Level Housing Subsidy Agreements – Federal Housing Providers in Peel**

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the Director of Housing Services, or his or her designate, be authorized to enter into and execute new Service Level Housing Subsidy Agreements and any related amendments and extensions, together with such further agreements and ancillary documents that may be required, with federal housing providers, on business terms satisfactory to the Commissioner of Human Services and on legal terms satisfactory to the Regional Solicitor.

REPORT HIGHLIGHTS

- There are 48 housing providers in the Community Housing System in Peel Region.
 - Six of these providers are classified as federal housing providers.
 - All operating agreements with the federal housing providers in Peel will come to an end by 2026.
 - Through this report, staff is seeking Council approval to enter into new agreements with the six federal housing providers.
 - The new agreements will retain 656 affordable rental units, including 198 subsidized units in the Community Housing System in Peel.
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DISCUSSION

1. Background

In 2018, Regional Council approved the renewed 10-Year Peel Housing and Homelessness Plan. One of the strategies within the plan is to “Optimize Existing Stock” which involves keeping existing units within the Community Housing System. The Community Housing System in Peel includes 48 community housing providers. Six of these providers were developed using funding from the federal government and are therefore classified as federal housing providers.

Peel Housing Corporation and 40 other community providers are considered provincial housing providers because they are legislated under the provincial *Housing Services Act, 2011*. The Region of Peel owns several affordable housing buildings that also contribute to the community housing system.

Federal housing providers are important partners within the current housing system. These six federal providers have operating agreements that will expire on or before 2026. Without new agreements in place, 656 affordable units including 198 subsidized units would need to

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be replaced elsewhere within the housing system in order to maintain Peel Region's legislated service levels of 8424 units.

In order to retain these units in the housing system, Regional staff met with the Board of Directors of each federal provider. All providers indicated that they want to continue partnering with the Region, therefore new Service Level Housing Subsidy Agreements have been developed.

Through this report, staff is seeking Council authority to enter into new agreements with each federal housing provider.

Currently the *Housing Services Act, 2011* does not have an expiry clause for any of the provincial housing providers therefore they are not part of this request. Regional staff is working with the Province and other Service Managers to investigate the impact of future legislative changes. If legislative changes are proposed, a Council report will be provided.

2. Proposed Direction

Subject to Regional Council approval, staff will execute the new agreements with each federal housing provider. These agreements have terms around funding, operating provisions, reporting requirements and RGI administration. In addition, the services and resources that the Region has in place today such as technical support and access to Peel's Capital Infrastructure Loan program have been made available to the federal providers.

The Agreements include the following:

- A 10-year commitment from the time of signing with the possibility of a 5-year extension, if both parties agree.
- The provider must follow the *Housing Services Act, 2011* and comply with Region of Peel Housing Policies.
- Providers must use the Centralized Wait List to fill units.
- The Service Manager will provide subsidy dollars, which will be used to meet the housing provider's "subsidized unit" target.
- The Service Manager will provide an administration subsidy to the provider in the amount of \$4.50 per unit/per month to administer the program.

Details of the units by provider are outlined as follows:

Provider	Total Units	RGI Target
Wawel Villa (Clarkson)	88	20
Westminster	190	25
Grace Court	65	42
Living Waters	110	65
Montevideo	80	18

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Provider	Total Units	RGI Target
The Heritage	123	28
Total	656	198

RISK CONSIDERATIONS

Without an agreement in place with our federal partners there is a risk that these providers may convert units to more profitable forms of accommodation such as private retirement homes, condos or private rental housing. The September 24, 2017 information report presented to Council titled “End of Operating Agreements – Community Federal Housing Providers in Peel” indicated that there were 7 community federal housing providers; one of these providers has since terminated their partnership with the Region to pursue other opportunities as mentioned above.

FINANCIAL IMPLICATIONS

The new Service Level Housing Subsidy Agreements will be entered into with the federal housing providers, enabling the payment of subsidy to the providers under a revised funding formula, based on actual RGI units and an administration subsidy. Many housing providers are under their RGI target resulting in surplus funds. Therefore, these agreements can be executed with no net impact on the Housing Support operating budget. Work continues with the providers to reach their RGI targets. This will be a slow process taking several years. Changes can only be made upon turnover of units, and the rate of turnover is low. It is anticipated that there are no net financial impacts in the near term.

Funding received from the new Canada-Ontario Community Housing Initiative will be used to offset reduced federal funding in year 2021 and 2022.

CONCLUSION

All federal housing providers in Peel have or will see their operating agreements come to an end by year 2026. The new proposed Service Level Housing Subsidy Agreements are needed to keep these providers in the Community Housing System. By signing the agreements, 656 affordable rental units are retained in the system, including 198 units that are subsidized.

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

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Reviewed and/or approved in workflow by:

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

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Final approval is by the Chief Administrative Officer.

A handwritten signature in black ink, reading "Nancy Polsinelli". The signature is fluid and cursive, with the first name "Nancy" and last name "Polsinelli" clearly distinguishable.

N. Polsinelli, Interim Chief Administrative Officer