



Social Housing Modernization — A Modern Framework

Ontario Municipal Social Services Association Housing Forum

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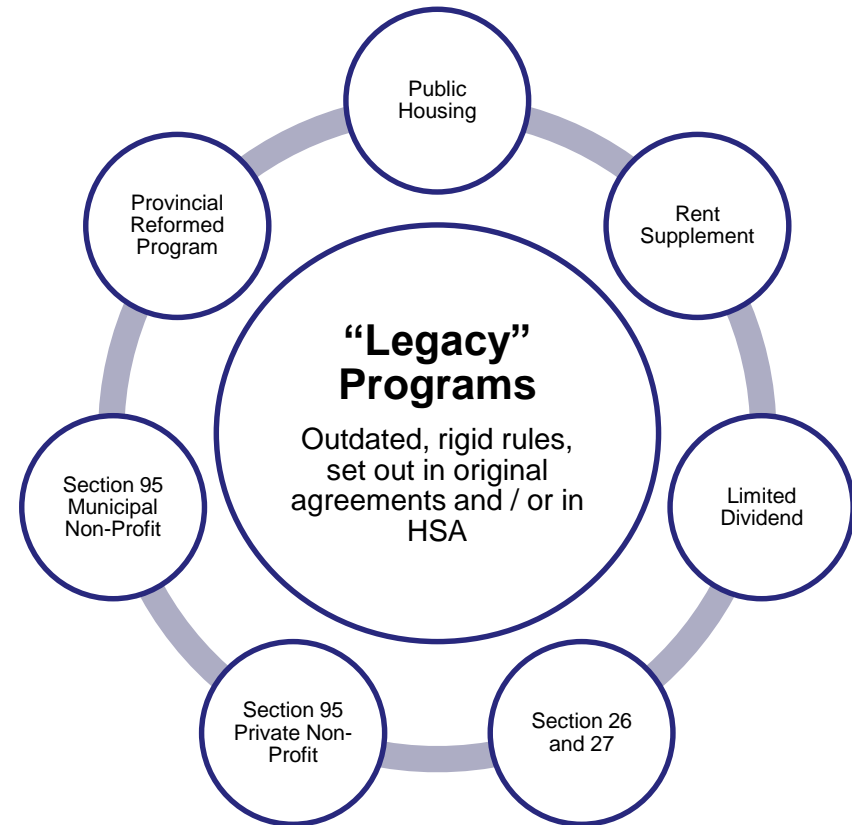
Social Housing: A Vital Community Asset

- Social housing in Ontario includes projects developed and operated by non-profits, co-operatives and municipalities.
- It accounts for approximately **23%** of the purpose-built rental housing stock in Ontario, with a replacement value of more than **\$30 billion** (excluding land).
- Approximately **260,000 households** rely on social housing through rent geared to income (RGI) or low end of market rent units.
- This stock was built and developed over the past 50 years, through strong partnerships between housing providers, sector organizations, Service Managers, and federal and provincial governments.
- Non-profit and co-operative providers play a key role in providing stable, affordable housing and building strong communities for the residents they serve.



Social Housing System – Key Issues

- The current social housing system is made up of a patchwork of legacy programs, often with rigid rules set out in original operating agreements or the *Housing Services Act, 2011*.
- As the original operating agreements end or mortgages expire, there is uncertainty about what comes next.
- Many social housing buildings are aging, in need of repair, and at risk of no longer being viable.
- Some housing providers are struggling to manage sector changes, as well as increasingly complex needs of tenants.



Note: Projects developed under the Urban Native and Rural and Native housing programs are part of the legacy social housing portfolio, but the ministry is not making assumptions on how they will be impacted by Social Housing Modernization. That process will be guided by the Indigenous Housing Strategy.

The Next Step: A Modern Framework for Social Housing

- A modern framework is not a new social housing program – it would be a new way for the social housing sector to work together to deliver more positive outcomes for households.
- Legacy rules in operating agreements and the *Housing Services Act, 2011* may no longer meet the new and evolving needs of Service Managers, housing providers, and tenants living in social housing.
- A modern framework would replace these rules with an approach that enables innovation and flexibility to better meet the unique needs of individuals, families and communities across the province.

A new approach to social housing will enable housing providers to:

- ✓ Operate with more financial independence and flexibility;
- ✓ Focus on effectively managing social housing portfolios and fostering healthy communities; and,
- ✓ Foster innovation to better meet tenants' evolving needs and, where possible, increase the supply of affordable housing.

Guiding Principles of a Modern Framework

The development of a new framework will be grounded in the following principles:

People-centred

- A “people first” approach that focuses on positive outcomes for individuals and families in need
- Consistency and certainty for households during transition period allowing for households to make informed choices

Partnership-based

- Strong partnerships between all levels of government, social housing providers and households
- Increases housing provider capacity to maintain and expand affordable housing options

Community-driven

- Recognizes unique local needs and housing markets
- Provides flexibility to housing providers and Service Managers to manage housing assets and the local housing system in a manner that best reflects local needs and sustainability

Efficient and Responsive

- Supports approaches that ensure accountability, while encouraging innovation and appropriate risk-taking

Proposed Elements of a Modern Framework

System Stewardship

The province would create the legislative framework for housing and homelessness in Ontario.

Service System Management

Service Managers would be responsible for planning and coordinating a wide range of housing and homelessness services. They would continue as primary funders and administrators of housing assistance, and would manage the local service system for legacy social housing programs.

Proposed Registry of Housing Providers with a Social Purpose

Non-profit, cooperative and municipal housing providers participate in a registry of housing providers with a social purpose.

Accreditation of providers in the registry would be based on periodic assessment against province-wide standards

Accredited providers in the registry would have access to benefits and funding (e.g., potential access to special tax treatment, streamlined accountability agreements and grant funding)

Providers and Service Managers would enter into their own local contractual arrangements (access to housing units, rent supplement agreements, and/or operational funding)

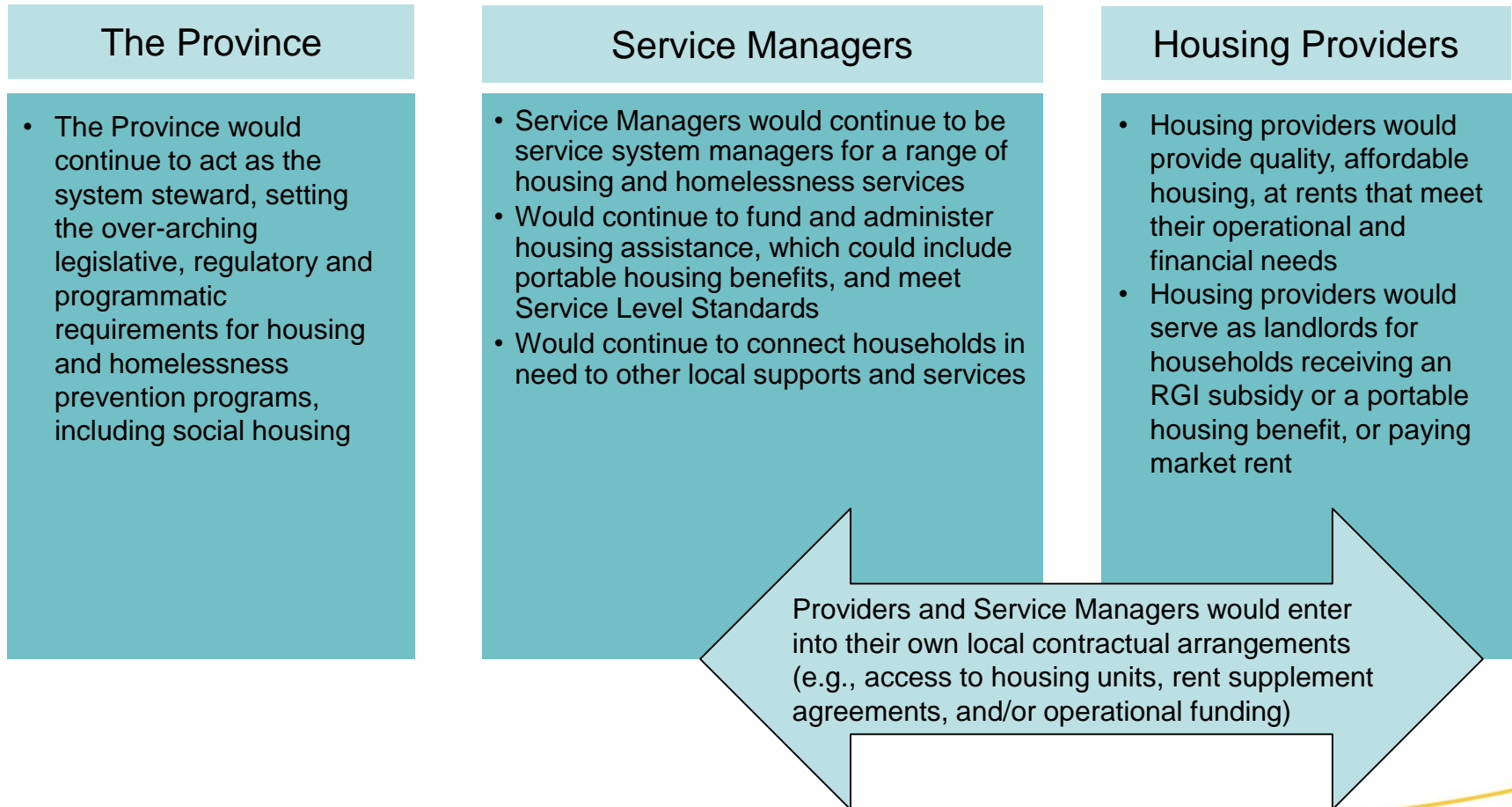
Providers in the registry that cannot meet the standards would receive support, and may be subject to interventions and remedies in certain circumstances

Capacity Building for Housing Providers

Assistance and capacity building opportunities would be available to housing providers, provided by sector organizations and/or government partners.

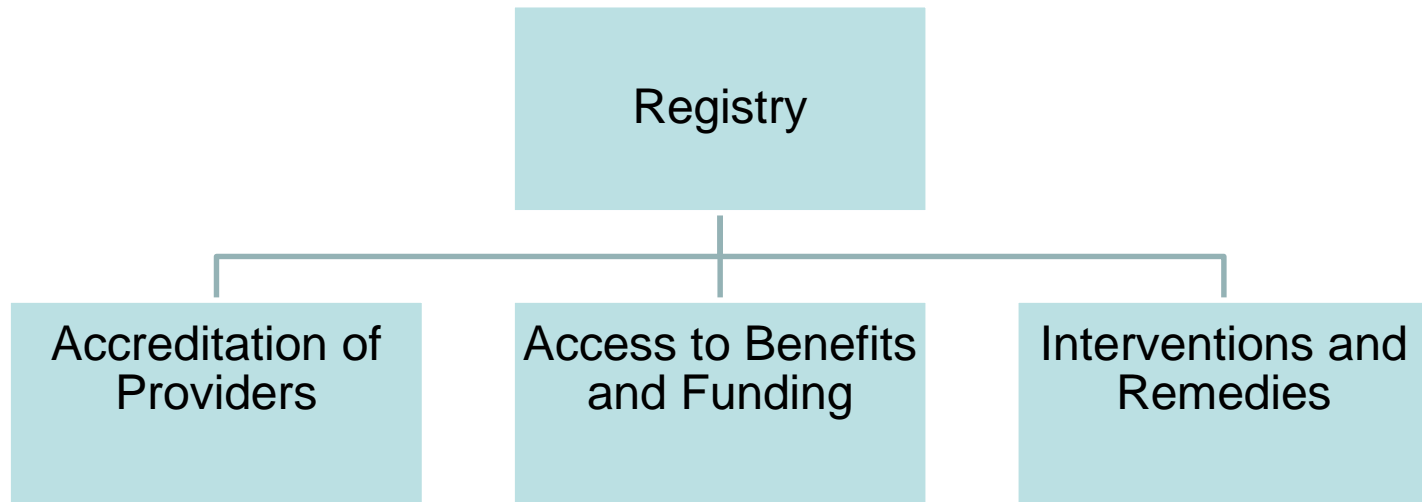
System Stewardship and Service System Management

- The modern framework would set out clear roles and responsibilities for different actors in the social housing sector.



Proposed Registry of Housing Providers with a Social Purpose

- The registry would be a new way of supporting housing providers that are committed to providing housing with a social purpose and monitoring performance.
- Providers would participate in the registry in order to be eligible for certain benefits and funding.
- Participation in the registry would be voluntary – providers can choose whether or not to participate after their operating agreement ends and/or mortgage expires (and other legal obligations end).



Proposed Registry – Accreditation

- Providers that participate in the registry would be accredited through periodic assessment against province-wide standards.
- Meeting minimum standards on an ongoing basis through accreditation provides tenants, government funders, and potential investors with assurances of financial sustainability and confidence to invest in affordable housing.
- The province-wide standards would be grounded in measurable outcomes, and focus on the following areas:
 - Governance;
 - Operations (property management, maintenance, repair);
 - Tenant relations; and,
 - Financial management.
- Specialized standards would also be developed for providers interested in expansion and new development.

Proposed Registry – Access to Benefits and Funding

- Providers that are listed as accredited in the registry would have access to exclusive benefits and funding opportunities.
- These benefits could include, among other incentives:
 - Continued access to special tax treatment;
 - Streamlined accountability agreements; and,
 - Grant funding for capital repair and new development.
- Accreditation also places housing providers in a good position to enter into potential local agreements with their Service Manager.

Proposed Registry – Interventions and Remedies

- Currently, housing providers are subject to various interventions and remedies under their operating agreements, the *Housing Services Act* and/or transfer payment agreements.
- In the modern framework, housing providers participating in the registry who have challenges meeting the standards, or who are in financial difficulty, could be subject to certain defined remedies and interventions.
- The remedies and interventions would be clearly defined and communicated to providers participating in the registry. They would be scalable, and related to specific triggering events like bankruptcy and insolvency.
 - Further details on how the remedies and interventions would be operationalized for providers is under consideration.
- Housing provider accreditation, coupled with interventions and remedies, would support good management of social housing communities and housing stability for tenants.

Capacity Building for the Modern Framework

- Housing providers who wish to join the new framework would be supported through the transition.
- The ministry will work with Service Managers, housing providers and sector organizations to increase awareness and understanding of social housing modernization initiatives.
- Various organizations in the housing sector would have complementary roles to play in providing assistance and capacity building opportunities to housing providers – for example, to assist them in meeting standards or in the development of new housing.

Group Discussion: Questions

1. What works well under the current social housing system? What could be improved under a new, modern framework?
2. What barriers do you face in the current social housing system (specifically related to the Housing Services Act and/or operating agreements) that make it difficult to provide sustainable housing and pursue innovative and entrepreneurial approaches?
3. What are some basic standards that all housing providers should meet in order to be included in a proposed housing provider registry?
4. What benefits, or incentives, would be valuable to housing providers in deciding whether or not to participate in a registry?
5. What type of body, organization or level of government would be best suited to:
 - Assess housing providers participating in a registry against a series of province-wide standards?
 - Manage a list of accredited providers?