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To the attention of OMSSA Members

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Introduction

The provincial government released its much-anticipated Long-Term Affordable Housing Strategy (LTAHS) today, with a vision to “*improve Ontarians access to adequate, suitable and affordable housing and provide a solid foundation on which to secure employment, raise families, and build strong communities.*” This long-awaited announcement signals the most significant change for housing in Ontario since the province downloaded social housing responsibilities to municipal service managers ten years ago.

The Strategy offers a high-level vision for housing, and sets the stage for further policy and programmatic changes to be worked out in the forthcoming months in legislation, regulation, and consolidation discussions. An emphasis on local flexibility and service system management dominates the Strategy, and there is prominence given to people-centered services and human services integration.

The process of developing the Strategy was groundbreaking, with an unprecedented level of engagement between the province and CMSMs and DSSABs. Yet it is important to remember that today’s announcement is only the beginning. As with any major government initiative, the details will be worked out through working groups. Each of the proposed changes is complex, and OMSSA is confident that MMAH is committed to partnering with service managers to craft legislation and regulations that balance the needs of social housing residents, providers, and service managers. On all of these points, OMSSA will work closely with MMAH to ensure that the right questions are being asked and that the recommended changes support the overall vision and principles of the LTAHS. (In other words, changes must support local flexibility and people-centred policy, and should not just substitute one set of restrictive regulations with a new one.)

We also recognize that the Strategy will have a direct impact on how service managers do their jobs. The main principles of local flexibility, program funding consolidation, and the creation of local housing and homelessness plans will help service managers do their jobs better, but they will also challenge CMSMs and DSSABs to think differently about their internal organizational structures—how should housing and homelessness programs work together on the ground? What level of service and administrative integration should there be? These are important questions for service managers, and OMSSA sees it as our role to help CMSMs and DSSABs manage these changes through education, training, and other change-management resources, as well as monitoring the program and policy developments.

Finally, we note with disappointment that the Strategy provides no new funding for housing. While we appreciate the government’s current economic position, we also recognize the negative long-term impacts of not investing additional resources into the housing sector. Ontarians in need of appropriate and affordable housing will continue to be in need as long as there are no new

investments in expanding the affordable housing stock in our province. The lack of new provincial funding notwithstanding, OMSSA does support the repeated calls in today's Strategy for the Federal government to return to the housing table, both in a funding and a policy role.

Background

The announcement of the Long-term Affordable Housing Strategy marks the next phase in the ongoing evolution of the provincial-municipal relationship in the human services sector. Beginning with the creation of CMSMs and DSSABs in the late 1990s, the provincial and municipal partners have sought to find the right way to frame municipal service system management. The Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR) of 2008 represented an important step forward in this discussion, as has the Human Services Implementation Steering Committee (HSISC), the provincial-municipal body charged with turning PMFSDR into action.

When the province launched its consultations for the Long-term Affordable Housing Strategy in 2009, it was originally separate from the follow-up implementation activities of PMFSDR and HSISC. Soon, however, the work of HSISC's Consolidation of Housing and Homelessness Programs Working Group helped to bring the different provincial processes into closer alignment. The result is that the Long-Term Affordable Housing Strategy incorporates many of the same principles as did PMFSDR—a stronger role for the human service manager, the expectation of community service planning, consolidation of housing and homelessness programs, and a focus on positive outcomes for citizens rather than service outputs of programs.

Key changes

The Strategy proposes a range of changes to the housing and homelessness landscape. Some of the changes being considered are:

- replacing the restrictive Social Housing Reform Act with a more enabling Housing Services Act
- consolidating provincially funded housing and homelessness programs
- expanding service manager roles and responsibilities and the creation of local consolidated housing and homelessness plans
- creating a Minister's Housing Policy Statement
- restructuring the Rent-Geared-to-Income program
- substantively modifying the Ministerial Consent process
- providing local flexibility to determine waitlist processes

Analysis

- **Replacing the restrictive Social Housing Reform Act with a more enabling Housing Services Act.** The biggest proposed change will be the replacement of the SHRA with a new Housing Services Act. For ten years, service managers have been hampered in their ability to manage their local housing systems because of the cumbersome and restrictive nature of the SHRA. The new Housing Services Act will embed principles of local flexibility and municipal service management in a more enabling way. OMSSA anticipates that, as with any provincial legislation, the Housing Services Act will be subject to committee work, and we will be prepared to provide detailed comments on how the final legislation will read.
- **Consolidating provincially funded housing and homelessness programs.** The PMFSDR committed to consolidating provincially funded housing and homelessness programs, and HSISC's Consolidation of Housing and Homelessness Programs Working Group identified the best process for undertaking this consolidation in a phased approach. We know that in Phase 1, the following programs will be part of the consolidation process:

- Consolidated homelessness prevention program (CHPP)
- Emergency energy fund
- Emergency hostels
- Domiciliary hostels
- Rent Bank

Program funding consolidation is an important step forward for giving CMSMs and DSSABs greater flexibility in managing their housing system in locally appropriate ways. It will bring change to how service managers structure their organizations. OMSSA will work with our members to support them through these changes and to build service manager capacity across the province.

- **Expanding service manager roles and responsibilities and the creation of local consolidated housing and homelessness plans.** The flexibility provided by program consolidation (point #2) also brings a new responsibility for service managers to develop local consolidated housing and homelessness plans with expectations and outcomes. Communities will be expected to think more systemically about their housing needs, and where ready, can bundle their plans with a broader human services plan. OMSSA has learned that CMSMs and DSSABs will be able to develop their local plans with little interference or oversight from MMAH, providing that they fit within LTAHS's general principles of creating a positive and supportive environment for affordable housing. Such plans will be expected to include local system outcomes, strategies to meet those outcomes, and relevant measures to assess whether the outcomes are being met.
- **Creating a Minister's Housing Policy Statement.** Similar to the land-use planning statements found in the Provincial Policy Statement, this Minister's Statement will articulate the key principles and outcomes for the housing and homelessness sector in Ontario. The Statement will also be the place for more detailed definitional discussions of housing affordability and of appropriate outcome measures. OMSSA expects the Statement to be developed in a collaborative process between the province, service managers, and other stakeholders.
- **Restructuring the Rent-Geared-to-Income program.** Service managers have long advocated for a new rent-geared-to-income process that is easier for social housing residents to understand and providers to administer. The LTAHS proposes to work with the Canada Revenue Agency to develop an income-tax-based model. Because of the financial implications for service managers if there is a change to RGI, OMSSA anticipates being part of this discussion to identify the best way to reform the RGI subsidy model.
- **Substantively modifying the Ministerial Consent process.** The details of the specific changes are yet to be determined, but OMSSA will work with the province to develop a process in which service manager authority matches their liability. We also will be working to ensure that service managers have a range of tools to work through situations where projects have challenges, so as to ensure that social housing residents are served properly and housing assets managed correctly.
- **Providing local flexibility to determine waitlist processes.** The LTAHS proposes to give service managers much greater flexibility to developing locally appropriate housing waitlist policies. There is a proposed provision to allow people with valid health reasons to be able to transfer waitlists without losing their place.

The language of human services integration

We are pleased to note the strong echoes of human services integration throughout the Strategy,

which speaks of affordable housing being provided “in a supportive environment that includes access to jobs, community facilities, and services.” As well, a “client-centred approach” to housing should replace the current “program-focused approach that is bound by restrictive guidelines.” This marks an important shift in perspective, and reflects the messages that OMSSA has continuously stressed over the past few years.

Northern DSSAB implications

For DSSABs, which operate under a different municipal relationship than CMSMs, the LTAHS offers opportunities but also challenges. The emphasis on local flexibility and service manager leadership is positive. By beginning to remove funding silos, the province can move away from prescriptive funding that can have little relevance to northern communities.

With many member municipalities, a DSSAB plan must negotiate the reality that programs or funding strategies that work in some municipalities will be inappropriate in others. Local flexibility to develop locally appropriate plans will now enable DSSABs to craft a plan that is more tailored to the multiple needs of the member municipalities.

Rural service manager implications

One red flag, particularly for rural areas with stagnant or declining populations, is the potential for local service plans to affect funding levels. Although the Strategy does not come with new funding, there might be funding programs in future years. Especially in areas of declining population, municipalities view housing development as a key piece of infrastructure that needs to be maintained and developed to retain the current population and attract new residents. At the same time, provincial allocations to municipalities have often been tied to population, and funding cuts tied to ageing and declining population.

There is potential for conflict if a local consolidated housing and homelessness plan forecasts a declining population over a 5- or 10-year period, and this is then used as a rationale for decreased housing funding. This will create a negative spiral for declining communities—less funding, fewer new investments, fewer people, less funding, and so forth. As the province and CMSMs and DSSABs develop the framework for consolidated housing and homelessness plans, it will be important for OMSSA to educate MMAH about this issue and to work to ensure that plans are not used to justify decreased allocations.

Questions and concerns

As groundbreaking and positive as the Strategy is for CMSMs and DSSABs, many unanswered questions and concerns remain.

- **Funding.** The Strategy allocates no new funding for housing. This remains the biggest challenge for the housing and homelessness sector, which suffers from the absence of sustainable public investments. Without additional funding for new housing, and without investing in support services that help people stay in housing, the province will continue to leave hundreds of thousands of Ontarians without access to an appropriate and affordable place to call home. The federal government has an equally important role to play and OMSSA will also continue to work with our municipal and provincial partners to encourage federal action.

The lack of funding will also affect the service managers’ ability to manage the many changes to the system. Although local flexibility is welcomed, and the consolidation of programs helpful, the Strategy gives service managers new responsibilities (translating to higher costs of administration) without giving additional funding for those responsibilities. The financial

implications of implementing the Strategy will remain a central advocacy point for OMSSA in our work with our provincial partners.

- **Definitions of affordability.** The Strategy is silent on the definition of “affordable,” leaving the sector with the currently inadequate measures of 80 percent of market rates. As OMSSA and others have repeatedly stressed to the provincial government, these thresholds are much too high to help low-income households, particularly in high-growth areas where housing prices are far above the provincial norm. OMSSA will continue to stress the need for more realistic—and locally relevant—measures of affordability, as we work with the province in the implementation working groups and in the development of the Minister’s Housing Policy Statement. Furthermore, while the definition of affordability might be specific to any future program development, the larger issue of affordability remains crucial to locally appropriate service delivery. This can not be reconciled at the local level without a provincial commitment to providing enabling funding.
- **Asset management.** The Strategy is silent on the questions of local building assets, yet service managers have consistently advocated for clearer policy direction on this important issue. Social housing buildings are a multi-billion dollar public asset, yet there is no sense of a coherent plan for how CMSMs and DSSABs are to manage these. With federal mortgages set to expire on many buildings in the next few years, there is a need to develop a strategy for ensuring that these remain in the social housing portfolio and are not lost into the private housing stock. As well, from a program administration perspective, it is important to continue to educate the province about the absence of long-term capital repair funding commitments and financing tools are seriously hindering service manager ability to ensure the assets are appropriately maintained.
- **Rent-gear-to-income rules.** The Strategy speaks of restructuring the RGI subsidy process using an income-tax-based model. While service managers support a change to RGI, there are questions as to what the best model is and how to implement it without creating additional financial burdens on CMSMs and DSSABs.
- **Timelines.** As befits a “long-term” strategy, the government is proposing an extended timeline for full implementation, beginning immediately and stretching through 2014. Yet, the 2011 provincial elections are approaching, with the election writ dropping in September 2011. It will be imperative, therefore, for OMSSA and the province to work collaboratively and effectively over the next several months to achieve some strategic results in legislation, regulation, and implementation, in advance of next fall’s election campaign.
- **French language.** OMSSA has learned that, in the new proposed legislation, service areas working under French Language Services Act will have to deliver their housing programs in both official languages. This will, of course, will have significant impact on service management and delivery, both from a financial and human resource perspective. OMSSA will continue to monitor this issue to understand the wider implications of this part of the legislation.

What this means for OMSSA members

In the end, the Long-term Affordable Housing Strategy represents the biggest opportunity—and challenge—for service managers since local services realignment a decade ago. The policy and programmatic changes of this Strategy are many and will affect almost every aspect of the service manager’s activities.

One of OMSSA’s strategic priorities for 2011 is to help members manage change—and the changes brought about by the Long-term Affordable Housing Strategy are many. OMSSA is committed to

working with CMSMs and DSSABs to build local capacity to manage these changes, both by drawing on our existing work on human services planning and by creating new educational opportunities for service managers.

Talking points

- This long-awaited announcement signals the most significant change for housing in Ontario since the province downloaded social housing responsibilities to municipal service managers ten years ago.
- We are pleased with the level of engagement between the province and municipal service manager as this Strategy was developed. We are confident that this kind of partnership will continue into the implementation phase, with the development of the legislation, regulations, and program consolidation.
- We recognize these are early days in the Strategy and that we don't have all the answers. We are fully confident, however, that we will be able to work in partnership with the province—government-to-government—to turn the Strategy into action that works for our community.
- The principles of local flexibility make so much sense for our community. One-size-does-not-fit-all when it comes to housing and homelessness, and we are happy that the Strategy strengthens our ability to develop local plans to meet our local needs.
- While we appreciate the provincial government's economic situation, the absence of new investments for housing and homelessness is short-sighted. Without additional funding for new housing, and without investing in support services that help people stay in housing, the province will continue to leave hundreds of thousands of Ontarians without access to an appropriate and affordable place to call home.
- The federal government has an equally important role to play and OMSSA will also continue to work with our municipal and provincial partners to encourage federal action in both areas of providing renewed flexible-funding and in developing the policy framework for a national housing strategy.
- By not investing additional funding into housing and homelessness, the province is sending mixed messages to CMSMs and DSSABs. They are raising the expectations for service managers to oversee their local systems, but are not providing adequate resources for them to do this properly.

Links

For more information on today's announcement, [see the Ministry of Municipal Affairs and Housing's website](#) or [download a copy](#) of the strategy.

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