



# **Enabling the Service System Management Role in Affordable Housing and Homelessness Prevention**

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## **Introduction:**

The introduction of the *Housing Services Act (HSA)* in 2011 marked a significant change in the role of Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) in the planning, managing, funding and delivery of affordable housing and homelessness prevention services and programs in Ontario. During this same period, a number of other provincial initiatives were introduced that impact<sup>1</sup> the expectations and obligations of CMSMs and DSSABs in their role as service system managers. This period of change has heralded a number of opportunities as well as highlighted the challenges inherent in advancing the service system management role as envisioned in the *HSA* and addressing Ontario's most pressing social and economic issues.

The *HSA* requires CMSMs and DSSABs to develop and implement 10 year housing and homelessness plans. These plans are to articulate the strategies of CMSMs and DSSABs for providing affordable housing and preventing homelessness at the local level. The plans also, and importantly, articulate service needs across Ontario's diverse communities, providing important insight into capacity considerations for local governments and DSSABs in their new role as service system managers for affordable housing and homelessness prevention.

The key purpose of this paper is to identify the tools and resources that CMSMs and DSSABs need to fully assume the service system management role as outlined in the requirements within the *HSA* and the *Ontario Housing Policy Statement*.<sup>2</sup>

The challenges and opportunities that are identified in this paper are not new. However, given the expanded role of CMSMs and DSSABs in addressing affordable housing and homelessness prevention in Ontario, the need to highlight action on these issues is great.

## **Overview:**

CMSMs and DSSABs have long advocated for the need to move away from a one size fits all approach to meeting needs in communities to a flexible and responsive approach. This paper articulates challenges and barriers that currently face service managers in the early implementation of the *HSA*. The intention of this paper is to ensure that the Province, with its municipal and DSSAB partners, is committed to building a system that is sustainable and enables CMSMs and DSSABs to do what is required of them.

Following is a summary of the key findings and recommendations captured in the paper:

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<sup>1</sup> These include the introduction of the Community Housing Partnership Initiative (CHPI). The Province at this time was also introducing funding changes to child care that required new planning and resourcing approaches.

<sup>2</sup> The [Ontario Housing Policy Statement](http://www.mah.gov.on.ca/Page9181.aspx) provides additional policy context and direction to Service Managers to support the development of local housing and homelessness plans. Strong partnerships and collaboration between the province, Service Managers, municipalities, housing providers and other stakeholders are essential to its successful implementation. <http://www.mah.gov.on.ca/Page9181.aspx>

## Summary of Findings and Recommendations:

OMSSA undertook a review of 19 housing and homelessness plans to track emerging themes, challenges and gaps that CMSMs and DSSABs had identified. The review highlighted the resources needed to support and enable the service system management role as articulated in the *Housing Policy Statement* and within the *HSA*.

From this scan the following key themes emerged:

1. CMSMs and DSSABs are taking a more integrated approach to addressing housing and homelessness by focusing on the entire housing and homelessness prevention system, not just social housing and shelters.
2. CMSMs and DSSABs are using the flexibility provided in the *HSA* to maximize their resources to address local need.
3. A gap exists between the legislated requirements of CMSMs and DSSABs to deliver housing and homelessness at the local level and the amount of funding available.

While the main focus of this paper is on addressing current barriers to achieving the service system management role, good things are also happening.

A fourth key theme, or trend, is emerging as CMSMs and DSSABs, through their local planning processes, take advantage of the flexibility provided in the *HSA*:

4. CMSMs and DSSABs are innovators in solutions for affordable housing and homelessness prevention.

### *Enabling the HSA and the Service System Management Role:*

As indicated, in addition to current funding and planning obligations, CMSMs and DSSABs have now assumed the service system manager role and responsibility for developing 10 year housing and homelessness plans for their communities, plans that they also are responsible for implementing.

The significance in this is that the provincial requirement to develop decade long housing and homelessness plans recognizes the importance of planning for affordable housing and homelessness prevention in a sustainable and responsive way.

This also means that the CMSMs' and DSSABs' role in service system management, expanded from child care to include housing and homelessness, is a strong and important step towards smart and effective local systems planning and management.

Municipal governments, CMSMs and DSSABs, like the provincial government, in their role as decision makers, face a tall order: establishing priorities with finite resources in the best interest of Ontarians. It is expected that these decisions form part of the foundation for economically, socially and environmentally sustainable communities.

Given this, the need to plan, manage and fund in a comprehensive and coordinated way that is built on partnership is critical.

The *HSA* is a turning point in Ontario by confirming the need for addressing issues of housing affordability within the broader municipal and DSSAB organizational planning processes.

For CMSMs and DSSABs to effectively build affordable housing and homelessness prevention systems at the local level, the following funding, policy and legislative barriers must be addressed:

1. **Mitigating CMSM and DSSAB risk and liability:** a sustainable funding framework that protects municipalities and DSSABs against increased risk and liability and does not include increased demands on local resources is needed. Relying on the property tax base is neither good social or fiscal policy.
2. **Protecting our public investments-addressing Ontario's housing infrastructure crisis:** Housing infrastructure/capital repair pressures continue to be a significant concern, exceeding \$1 billion in cost backlogs. Underfunding and growing capital shortfalls continue to threaten the viability and longevity of the social housing stock, in effect threatening billions of publically invested dollars. The end of operating agreements, and an environment where affordable housing is not being built and housing unaffordability continues is putting increased pressure on an already strained resource.
3. **Full consolidation of homelessness programs and funding:** Consolidation of the full tranche of the over 20 housing and homelessness programs will ensure that CMSMs and DSSABs have access to all of the current resources at hand to address the needs of their communities.<sup>3</sup>
4. **Eliminate ministry silos:** Better alignment and integration across provincial ministries is needed to support CMSMs and DSSABs in the implementation of their 10 year housing and homelessness plans. Comprehensive and coordinated policies and programs that support CMSMs and DSSABs in implementing the housing first approach that improve supports, housing choices and access to social and health services are required to move Ontario's housing and homelessness prevention system into the future. Persistent silos across provincial ministries and funding sources complicates and limits how far CMSMs and DSSABs can go in adopting a housing first approach.
5. **Federal and provincial funding:** A national strategy on affordable housing and homelessness is needed. This must include the federal and provincial governments coming to the table with adequate, permanent and stable funding.
6. **Social assistance rent scales:** the Province should eliminate the social assistance rent scales found within *HSA* regulation 298/01 to match the maximum shelter rate for OW/ODSP recipients living in the private market (appendix A).

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<sup>3</sup> It is not assumed by OMSSA and its member delegates that full consolidation of programs will provide the funding and resources needed to address current pressures. It is recognized that doing so will however be a good step to accessing much needed resources.

7. **Utility scales:** the utility scales found within regulation 298/01 do not reflect real, current day costs. Utility scales must be updated or a new and responsive approach be put into effect (appendix B).
8. **Service level standards:** Service level standards refer to the minimum amount of Rent Geared to Income (RGI) units that CMSMs and DSSABs must have, and are set by the Province. The continued inclusion of service level standards in the *HSA* does not make sense. It assumes that RGI is the only way to provide housing but, in fact, does not suit the needs of all CMSMs and DSSABs.
9. **Redevelopment opportunities:** The federal and provincial governments should amend any regulations or policies that prohibit CMSMs and DSSABs from redeveloping their social housing assets. Policies and regulations that prohibit leveraging and refinancing social housing assets to invest in building repairs and energy retrofits should also be amended<sup>4</sup> (appendix C).

The direction and priorities identified within the housing and homelessness plans illustrate that CMSMs and DSSABs are best positioned to lead the charge for change in addressing housing and homelessness at the local level, but that they must as one part of the remedy, be unencumbered by outdated and restrictive legislation to do so. They must also be resourced in a sustainable and predictable way.

CMSMs and DSSABs are poised to move the service system management role beyond aspirational. Addressing legacy issues such as outdated legislation and regulations is critical. Removing these barriers is a first step towards system sustainability. But, it is not only the long standing issues that need to be clarified within the new context. Going forward CMSMs and DSSABs also require the following:

10. A provincial data strategy to assist CMSMs and DSSABs in planning and measurement of strategies;
11. Capacity building initiatives and strategies;
12. Sustainability measures such as funding through infrastructure initiatives and dedicated housing programs that are well funded, permanent and predictable; and
13. A clear articulation of the provincial role of system steward

The expectations and requirements on CMSMs and DSSABs to address housing affordability and homelessness prevention at the local level are significant. At this point in Ontario's housing transformation it makes little sense to restrict the ability of CMSMs and DSSABs to respond to local issues in innovative ways.

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<sup>4</sup> For example, within the federally created mortgages of social housing buildings are restrictions against refinancing. As a result of how these mortgages are structured, many social housing buildings cannot be refinanced until their mortgages expire and operating agreements end.

CMSMs and DSSABs are positioned to find efficiencies, streamline services and make the best use of the finite public dollars currently available to address housing affordability and homelessness prevention. It is critical that the funding currently trapped in outdated regulatory requirements be freed up to allow CMSMs and DSSABs to realize their roles and responsibilities and Ontario’s vision for affordable housing and homelessness prevention.

**Housing and Homelessness Plans Analysis:**

As indicated above, 19 housing and homelessness plans were reviewed. These included the following:

West	Central	East	North
Bruce County	City of Toronto	Kawartha Lakes	Manitoulin Sudbury DSSAB
City of Hamilton	Halton Region	City of Kingston	Timiskaming DSSAB
County of Lambton	Muskoka	Lanark County	
City of London	Region of Peel	City of Peterborough	
County of Wellington	County of Simcoe	City of Ottawa	
City of Windsor	York Region		

Plans were selected to reflect geographic diversity. When divided by region, in addition to consistent themes and challenges emerging, the plans also indicated the diverse challenges and circumstances specific to each region.

Some of the regional characteristics and demographics identified included:

- Western Ontario:
  - An influx of retirees from outside communities,<sup>5</sup> rising unemployment, a shortage of affordable rental housing.<sup>6</sup>
- Central Ontario:
  - A rapidly growing population, increasing housing prices<sup>7</sup>, low vacancy rates, and the growing disparity between average income and cost of living.<sup>8</sup>
- Eastern Ontario:
  - A population increasing faster than housing stock, higher than average rates of homeownership, a growing population of seniors,<sup>9</sup> and a declining rental stock.<sup>10</sup>
- Northern Ontario:
  - A higher than provincial average of seniors, a declining population, transportation challenges,<sup>11</sup> and unemployment due to boom and bust industries such as mining and forestry.<sup>12</sup>

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<sup>5</sup>Bruce County’s Long-term Housing Strategy  
<sup>6</sup>City of Hamilton’s Housing & Homelessness Action Plan  
<sup>7</sup> Peel Region’s Housing and Homelessness Plan  
<sup>8</sup> York Region’s Housing Solutions, A Place for Everyone  
<sup>9</sup> Lanark County’s Housing and Homelessness Blueprint  
<sup>10</sup> Kingston’s 10-Year Municipal Housing & Homelessness Plan

In terms of local demographic considerations, there is a layer of complexity added in relation to governance and capacity challenges that must be negotiated in local planning. This includes:

- Rural CMSMs and DSSABs struggle with low population density and smaller tax bases from which to fund complex and costly housing solutions.
- Governance structures related to upper and lower tier municipalities often means that CMSMs and DSSABs must consider the involvement of multiple municipal governments in local planning priorities and decisions. This process can present challenges in gaining consensus on solutions to complex issues that manifest differently across local boundaries.

Despite these local challenges, it is through the service system management role complimented by responsive regulatory and legislative frameworks, that CMSMs and DSSABs can organize and leverage resources and respond to local needs and challenges unique to their community<sup>13</sup>.

At the same time, given the differences and complexities across regions, the shift in government policy providing CMSMs and DSSABs with greater flexibility to respond to local issues and needs is supported as the right public policy approach.

#### *What the Plans Revealed-Persistent Challenges Exist*

A great deal of innovative thinking and realigning of resources is underway but good planning, integration and innovation can only go so far to meet the rising affordability needs in every corner of the province.

*“Many parts of our service delivery networks are working well beyond capacity. There is not enough staff, volunteers or resources to respond as effectively or efficiently as we would hope to. .. We need to build our clinical and service capacity for all service providers, municipal staff, agencies and partners. We will develop this expertise through effective system redesign, strategic thinking, collaborative partnerships, training, program monitoring and integrated case management...Building capacity and ensuring the strength, resiliency and creativity of this system is a priority in order to achieve our goals.” - Homeless Prevention & Housing Plan, City of London.*

The above excerpt summarizes the high level findings of our analysis. The common theme throughout the 19 plans is that CMSMs and DSSABs are taking advantage of the flexibility they have been provided as service system managers to address local issues

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<sup>11</sup> Manitoulin-Sudbury’s Moving Forward: A Plan to Address Housing and Homelessness within the Manitoulin-Sudbury District Services Board Catchment Area over the Next 10 Years

<sup>12</sup> *Timiskaming’s 10 Year Housing & Homelessness Plan*

<sup>13</sup> See OMSSA’s paper *Integrated Human Services System Management: Connecting Need and Resources at the Local Level* <http://omssa.com/public-affairs/communications/position-papers-reports/defining-SSM-May2014.pdf>

and needs by aligning, integrating, streamlining and where gaps exist, developing ways to fill them.

This is not easy work and will take time and the appropriate transitional resources and supports to realize.

Having the flexibility at the local level to link needs to resources in an effective and responsive manner has long been the desire of Ontario's CMSMs and DSSABs. There is a challenge, however, that is twofold in this opportunity: one, as indicated, being existing legislative and regulatory restrictions and requirements and the other being municipalities and DSSABs are finding themselves to a greater extent than in the past, expected to fill gaps left by the provincial and federal governments. For example, as identified in York Region's plan, when the federal government's Residential Rehabilitation Assistance Program (RRAP) and the home repair funding component of the Ontario Disability Support Program ended, York Region stepped in to provide the community with their own home renovation and pilot program.

The implications of time limited and inconsistent program funding, which is often the case at the federal and provincial level, as demonstrated with the Investment in Affordable Housing Program (IAH), is that traditionally, CMSMs and DSSABs are often called upon to use their own resources to fill gaps. This is challenging on a number of levels: the property tax base is not an appropriate resource to address these significant pressures and local councils are being called upon to commit resources to address an issue that is growing in its depth and breadth. This does not mean that CMSMs and DSSABs are not effective in their efforts. What it means, is that housing affordability and the accompanying problems that go with this is beyond the capacity of one order of government to address.

The plan review confirms that local service system management as a tool to link needs to resources makes sense in terms of aligning, coordinating, integrating and managing services and funding. However, this good public policy shift can only go so far to address persistent and emerging housing affordability challenges in every corner of the province.

The persistence of housing affordability issues also speaks to the need to develop a comprehensive and holistic approach to addressing issues. Poverty, precarious employment and other emerging social and economic challenges play a significant role in addressing housing affordability and must be part of all planning to address housing affordability. This must occur with and across all orders of government.

OMSSA and its member delegates understand that an integrated service system management approach makes a great deal of sense. OMSSA believes it is time to look at current efforts and objectives with an eye towards how each program aligns, and, where appropriate, can integrate comprehensively towards the broader goals of poverty



reduction, labour market engagement and improved social and economic health of individuals, families, communities and the Province.

The *HSA* is a first good and important step in this direction.

### **Examining the Key Themes:**

**Key Finding 1:** *CMSMs and DSSABs are taking a more integrated approach to addressing housing and homelessness by focusing on the affordable housing and homelessness prevention system, not just social housing and shelters.*

One of the major changes from the *Social Housing Reform Act (SHRA)* to the *HSA* was the move away from focusing solely on social housing. This change was clear in the plans review through a shift in focus to housing and not houses.

What was once a system focused on the bricks and mortar of social housing, is now considering not just the housing continuum, but the supports needed to prevent homelessness. This shift to affordably and safely housing people reflects the move to a more integrated approach to human services that focuses on the outcomes of individuals and families in a holistic manner including civic and economic engagement and overall community health, wellbeing and sustainability.

Some CMSMs and DSSABs, such as Peel Region, are using their plans to increase the capacity, opportunities and well-being of the people they are working with to house.

While Peel Region's Housing and Homelessness Plan looks at the housing stock needs, it also addresses broader concerns such as "provid(ing) financial, employment and life skill supports to increase individual and family's socioeconomic capacity" and to "ensure physical and mental health supports are available for people to remain in their home."

CMSMs and DSSABs are using the housing first approach to enable individuals to improve their socioeconomic and life circumstance by linking housing with other social and health supports. Rather than see housing as the only solution, this approach looks at housing, and being housed, as a mechanism for other supports such as the human capacity building initiatives being undertaken in Peel Region.

This shift supports the notion that access to affordable housing is an important foundation upon which all other change can be built.

Lanark County's strategy also demonstrates the shift from "bricks and mortar" to a broader systems approach:

The County is engaging the private market in their planning and implementation processes. Lanark's housing plan identifies the strategic objectives to "encourage and

support private landlords to provide more housing that is affordable” and “encourage the development of secondary suites, multiple units, and other high density housing.”

While this approach may not be entirely new, it does demonstrate a move away from traditional relationships to leveraging local partnerships and resources to address local issues.

**Key Finding 2:** *CMSMs and DSSABs are using the flexibility within the HSA to maximize their resources to address local need.*

Affordable and social housing is funded and delivered at the local level in Ontario. CMSMs and DSSABs are in a unique position in that they are responsible for the management, planning, funding and delivery of Ontario’s affordable and social housing system, they are not, however, in control of the majority of funding. Because of this disconnect between housing affordability pressures and the resources available to address this need, CMSMs and DSSABs are seeking innovative ways to address these challenges. An opportunity made possible by the *HSA*.

CMSMs and DSSABs are undertaking initiatives that involve planning in a more focused and integrated way by realigning or leveraging local resources, for example:

- Exploring social financing opportunities:
  - The County of Wellington’s plan indicates that social financing initiatives could be used “to increase the supply of affordable rental stock.”
- Increasing the supply of rent supplements:
  - Kawartha Lakes “... aim(s) to increase the number of municipally funded rent supplements.”
- Reviewing planning regulations and by-laws to identify any restrictions to the development of new affordable housing units:
  - Bruce County will “eliminate zoning barriers that create unnecessary restrictions for local housing developments by undertaking official plan and zoning by-law reviews.”
- Seeking innovative partnerships to build new housing stock:
  - The City of Ottawa “will work with lenders, developers, other private sector partners and government to shape policies and offer incentives to increase the supply of affordable housing in our city.”
  - Peel Region, by entering into a community partnership to develop a 205 unit project, has reduced the regional funding contribution from previous levels of approximately 32% (\$17.3m) to only 2.7% (\$1.5m).

- Using existing housing stock as leverage for building more stock:
  - Hamilton will “explore opportunities for social housing providers to leverage their existing capital assets in order to develop additional affordable housing units.”

In an environment of no new funding and unfinished legislative and policy redesign, CMSMs and DSSABs are taking advantage of their role as service system managers and the HSA to seek innovative ways to fund the development and delivery of housing and homelessness services.

However, new municipal tools are not enough. It is important to note, that while necessity is the mother of invention, this should not be mistaken as an opportunity to abdicate the need for a federal and provincial partnerships and the need for sustainable and predictable resources to address problems that may manifest locally, but in fact have far reaching economic and social implications.

Like the provincial government, municipal governments and DSSABs are limiting their risk and viability. A sustainable funding framework which does not include new pressures to the property tax base is needed.

**Key Finding 3:** *A gap exists between the legislated duties of CMSMs and DSSABs to deliver housing and homelessness at the local level and the amount of funding available.*

As addressed above, the most significant issue identified within 16 of the 19 housing and homelessness plan reviewed was the need for provincial and federal governments to increase their role as partners in the funding of services and programs.

Below are a number of requests directed at senior orders of government for funding:

- That the City of Hamilton, “Advocate for a national housing strategy and for provincial and federal funding for new affordable housing” - *City of Hamilton’s Housing & Homelessness Action Plan*
- “Lobby senior levels of government to provide funding to maintain the existing public and social housing stock in a good state of repair” - *Timiskaming’s 10 Year Housing & Homelessness Plan*
- “Support sector organizations in lobbying for Federal and Provincial funding to undertake capital upgrades/energy efficient renovations to existing housing stock” - *Kawartha Lakes’ Building Strong Communities: Housing and Homelessness Plan 2014-2023*
- “We will seek adequate and sustained funding from all levels of government for publically funded assets and infrastructure. We will also seek additional funds for housing subsidies.” - *Ottawa’s Ten Year Housing Plan*

The requests for funding were predominantly related to housing issues such as capital repairs, and increasing the social and affordable housing stock. CMSMs and DSSABs ability to effectively respond to local need and pressures without additional funding is not realistic. This is not news.

While program funding from other orders of government such as IAH exist, they are often time limited and with insufficient funding attached to address issues such as the construction of new affordable housing. Although changes to zoning and other policies to encourage development are important incentives to building affordable housing, the challenge remains that resources are and have been required to address some of the long standing issues. Furthermore, addressing housing capital repair backlogs and the development of affordable housing from the property tax base is unrealistic and unsustainable.

**Key Finding 4:** *CMSMs and DSSABs are innovators in solutions for affordable housing.*

Following are a number of examples where CMSMs and DSSABs are taking advantage of the HSA and local discretion and greater flexibility to address housing pressures. Some of the approaches taken to utilize resources include:

- Moving away from RGI subsidies.
- Leveraging development cost savings to subsidize rents.
- Maximizing available funding through public-private partnerships.
- Leveraging the expanded service system manager role and working with community partners on local solutions.

**The Regional Municipality of Peel: 247 Queen Street East**

Through a partnership between the Region of Peel, Supporting Housing in Peel (SHIP), and Martinway Development, a mixed use affordable housing development is currently underway in the Region.

Two-hundred and forty seven Queen Street East will include affordable housing, supportive housing, retail space, and commercial office space. The project will offer office space and linkages to various community services. This development is funded through partnership contributions and the IAH program, under the Rental Housing Component. The projects' expected completion is 2016.

The development will include 205 units.<sup>14</sup>

- 20 supportive housing units with rent supplements funded through the Ministry of Health and Long-term Care (MOHLTC).
- 82 units to be filled from the Peel's centralized waiting list with rent supplements.<sup>15</sup>

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<sup>14</sup> Region of Peel, Regional Council Report, *Authority to Enter Into and Execute Agreements with Supportive Housing in Peel for the Development of Affordable Housing* August 28 2012.

<sup>15</sup> To fund the rent supplements, SHIP entered into a 10 year agreement with the Region of Peel. At the end of the rent supplement agreement, it is expected that SHIP will fund the subsidized units with the surplus operating capital the building will create.

- 103 units to be filled with market rent residents, with rents set at 80% of the average market rent to allow for increased affordability

The total capital cost for this project is \$57.2 million. The Regions contribution is only 2.7% of the project, at \$1.5 million. The construction cost per unit is \$7,500. This project is a strong example of doing more with less.

### **The City of Toronto: *East Bayfront***

Located on a block of city-owned land, this development is a pilot project that integrates affordable housing, market condominium units and retail space in a new waterfront community.<sup>16</sup> The project is a collaboration between development partners Hines and Tridel, the City of Toronto, and the non-profit organization Artscape. The development includes 80 affordable rental housing units to be owned by the city, and managed through Artscape.

The project will cost \$26 million. Of this amount, the City of Toronto will provide \$7 million from the Development Charges Reserve Fund for Subsidized Housing, and up to \$7 million in interim funding from the Capital Revolving Reserve Fund for Affordable Housing. This interim funding is to be paid back once Artscape obtains a mortgage. It is intended that the remaining \$12 million will come from IAH funding. However in the event that this does not occur, the City of Toronto will use \$12 million from the Developer Charge Reserve Fund for Subsidized Housing.

### **The Cochrane District Social Services Administration Board: *35 Dwyer Avenue***

The Cochrane DSSAB is finding ways to provide transitional housing to victims of domestic violence. Thirty five Dwyer Avenue is located in the City of Timmins. This building was previously a 6 unit private market rental building.<sup>17</sup> Due to the unsafe condition of the building and outstanding taxes, the City of Timmins took possession of the building and property. The city then transferred the property at no cost to the Cochrane District Local Housing Corporation (CDLHC) to be redeveloped. Through the transfer of land at no cost, and waiving of building and permit fees, the CDLHC was able to develop an affordable housing project at the site. Prior to the demolition of the building, existing tenants were relocated to safer accommodations both in the public and private market.

As of July 2014, 35 Dwyer will offer a 6 unit affordable housing complex that will provide transitional housing to support victims of domestic violence. The cost savings from the development phase will be used to set rents at an affordable level.

### **The Regional Municipality of Waterloo: *355 Linden Drive***

In 2012, the Region of Waterloo partnered with Cambridge Kiwanis Village Non-Profit Housing Corporation to expand an existing affordable housing complex. Located at 355 Linden Drive in

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<sup>16</sup> Toronto City Council, Report to the Executive Committee, *Implementing Innovative Affordable Housing in the East Bayfront* May 9 2014.

<sup>17</sup> Cochrane Local District Housing Corporation, Administrative Report, *Business Plan to Develop Affordable Housing* November 9 2012.

Cambridge,<sup>18</sup> this is the first project within the Region of Waterloo that takes advantage of expanded service system manager role and flexibility of the *HSA* in requiring service manager consent to permit the development of a property by a housing provider. Prior to the *HSA*, this development would have required ministerial consent from the Province (appendix D).

Cambridge Kiwanis, undertook the development of a 23 unit building on an underutilized parking lot at one of their properties. To increase the number of units in the new building, the Region of Waterloo sold Cambridge-Kiwanis an adjoining site that was the location of a former water tower. As a part of this agreement, the former water tower land will be made available as a community garden in partnership with the local residence association.

### **The City of London: London CAREs**

Bringing together key community agencies and stakeholders to support individuals in finding housing and staying housed, the City of London has developed a community-based approach to deliver housing through the London CAREs program. London CAREs uses the housing first model to reduce and prevent homelessness by providing housing along with the supports necessary to achieve housing stability is a collaborative partnership between the City of London, Addiction Services of Thames Valley, Regional HIV/AIDS Connection and Unity Project for the Relief of Homelessness in London.<sup>19</sup>

London CAREs is an example of the ability of CMSMs and DSSABs as service system managers to bring together a community to work together to create solutions.

London CAREs involves the following services:

- Street Outreach: Street outreach workers engage with individuals experiencing homelessness and support them to become housed.
- Housing Stability Program: Stability workers provide case management support to housed individuals that have experienced persistent homelessness.
- Housing Selection: Selection workers identify private-market landlords and property groups who are interested in making apartments available to individuals experiencing homelessness.
- Mobile Unit: The mobile unit assists with situations that traditionally required emergency services.

### **The Legacy of Policy and Politics:**

As demonstrated above, good and exciting approaches are emerging as CMSMs and DSSABs assume more of the service system management role in affordable housing and homelessness prevention.

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<sup>18</sup> Region of Waterloo, Report to the Community Services Committee, *Affordable Housing Strategy-Expression of Interest 2011-02 Recommended Priority Projects* February 28 2012.

<sup>19</sup> City of London, London CAREs, Accessed Online  
<http://www.london.ca/residents/neighbourhoods/Pages/London-CAREs.aspx>

Unfortunately, though, even with the introduction of the *HSA*, CMSMs and DSSABs, continue to be limited in their discretion. The key challenge that persists today in linking resources to local needs has existed since devolution. This is the hamstringing of the very flexibility required to realize the service system management role by legislation and regulations that have been passed from one order of government to another over time.

While driven by local needs and issues and created by CMSMs and DSSABs, housing and homelessness plans are guided by legislative and policy frameworks determined by the Province and in some cases the federal government. Even with the introduction of the *HSA* and with the expanded role and expectations of CMSMs and DSSABs as the service system managers of housing and homelessness prevention in Ontario, a number of historical legislative and policy barriers continue to exist, impeding CMSMs and DSSABs in their role at the local level.

As indicated, these barriers include outdated rent scales, utility scales, and the current practices around how programs are delivered, managed and funded. While CMSMs and DSSABs can articulate their local housing and homelessness strategies within the plans, they can only go so far.

These legacy issues undermine the service system management role by limiting opportunities for greater innovation and developing solutions to local issues within the human resource and funding capacity available.

Municipalities and DSSABs have been funding social and affordable housing in Ontario for over 15 years. Recent economic conditions have affected the capacity and ability of local governments, like the provincial government, to respond to local pressures and needs. In addition to balancing local priorities, many elected officials are struggling with continuing to subsidize programs and services that show little sign of addressing problems at a fundamental level. As an example, the timing is right to consider moving beyond the ongoing service level standard approach to housing, where money is spent on capital backlogs, to finding the most responsive and effective way of housing people in the communities where they live.

In the absence of new and permanent funding, CMSMs and DSSABs must have available to them all the tools and degrees of flexibility to address local needs and issues. It is with this flexibility that, in the face of no new funding, CMSMs and DSSABs can attempt to bolster their role as service system managers to make the best use of available resources and optimize outcomes for people in need.

### *Important Changes*

While Community Homelessness Prevention Initiative (CHPI) funding is on the right track and has provided some opportunity to implement new approaches and strategies to homelessness prevention, it is limited. The funding available in CHPI represents approximately only 20% of the funding available in all of the funding programs and streams identified for consolidation in the

Provincial Municipal Fiscal and Service Delivery Review (PMFSDR). So, as it stands, there are some issues that cannot be worked around by CMSMs and DSSABs, but must be addressed by of the federal and provincial government through new funding and legislative and regulatory updates and changes to programs. Examples of these are reflected in the plans developed by the City of Toronto and the County of Bruce.

The City of Toronto's *Housing Opportunities Toronto Plan* request to the Federal and Provincial Governments includes:

- That the “provincial government increase the cap on rent scales for social assistance recipients in rent-geared-to-income housing to match the maximum shelter allowances provided by Ontario Works and the Ontario Disability Support Program.”
- “The federal and provincial governments facilitate the redevelopment and refinancing of social housing by amending regulations which limit innovation in leveraging the use of social housing assets for investments in building repairs, expansions and energy retrofits.”

Bruce County's *Long-term Housing Strategy* advocates for legislative and program changes:

- “Advocate to senior governments for funding and legislative changes to better respond to local housing needs, including increases to shelter allowance rates, changes to utility legislation, ongoing and predictable funding for housing initiatives.”

These asks are a few examples of the existing historical limitations of Ontario's housing and homelessness system that have yet to be addressed within the new vision and practices in housing and homelessness initiatives, policies and legislation. At the same, the full consolidation of housing and homelessness programs to bring CHPI to a full mature state is critical.

In the meantime, CMSMs and DSSABs are operating around legislative barriers and shrinking government funding:

- The County of Lambton's *Housing and Homelessness Plan* states that “As government funding shrinks it will become necessary for communities to develop innovative, creative partnerships to meet housing needs. These could include Habitat for Humanity partnerships.”
- Kawartha Lake's *Kawartha Lakes' Building Strong Communities: Housing and Homelessness Plan 2014-2023* aims to increase development by “Provid(ing) waivers or offsetting grants for development charges and various fees for new affordable housing.”
- Windsor's *Windsor Essex Housing and Homelessness Plan* stated the intention to, “Increase the number of households provided with rental assistance. This may include



housing allowances, rent supplements, or head leases within private rental buildings to address the social housing waiting list.”

### **Clear examples of the past thwarting the future:**

It is important to understand the policy and legislative environment from which the service system management role has emerged and continues today. Aspects of this have been addressed above. Following are two additional examples of where action and change are needed.

#### *End of Operating Agreements-2033*

The impact of federal involvement in social and affordable housing remains important given federal operating agreements are expiring across Canada. With the expiration of operating agreements Ontario stands to lose approximately \$500 million in federal subsidies by 2033.<sup>20</sup>

There is a great deal at stake with the expiration of operating agreements (EOA). Valuable public investments will be lost as public housing projects disappear and less affordable housing stock will be available across Ontario. At EOA, subsidies that previously came from the federal government will end. When operating agreements expire, the expectation may be for CMSMs and DSSABs to replace the subsidies in order to continue to meet the required service level standards. The loss of this federal funding will present significant financial challenges for many CMSMs and DSSABs.

This issue has gained considerable attention of late and OMSSA and its member delegates remain hopeful that a remedy will be offered by the federal government in the near future.

#### *Waitlists and the SPP*

While the good policy changes that we have seen in the *HSA* signals the provincial governments willingness to work with municipalities and DSSABs as partners to find new ways to address long standing and emerging challenges in social and affordable housing, CMSMs and DSSABs in large part continue to struggle with outdated frameworks and arrangements that constrict them in their abilities to go as deep as possible in addressing housing affordability.

For example, under the *HSA* CMSMs and DSSABs now have the flexibility to change the way their housing waitlist is administered. Taking full advantage of this flexibility however is hampered by provincial policies such as the Special Priority Policy (SPP).<sup>21</sup> To address this obstacle, the City of Toronto has introduced a waitlist system to improve customer service and more effectively match applicants with available units. By transforming the waitlist system into

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<sup>20</sup>Ministry of Municipal Affairs and Housing *Ontario's Long-Term Affordable Housing Strategy*, <http://www.mah.gov.on.ca/AssetFactory.aspx?did=8590> 2010. Page 12.

<sup>21</sup> The Special Priority Policy is a category for victims of domestic violence and allows applicants to move ahead of all other applicants on social housing waitlists.

a coordinated entry point, clients now have access to an integrated range of short and long-term housing options to better meet people's needs.

City of Toronto staff have also urged their council to request the Province to replace the SPP with long-term funding for a specialized program for rent supplements and appropriate supports for victims of domestic violence.

CMSMs and DSSABs are taking the lead on improving the system they have been given. It may be time to reconsider the current approach to waitlists for a more efficient and cost effective approach. CMSMs and DSSABs will be limited in their progress as long as they are required to operate within the legacy of outdated rules, regulations and agreements, and diminishing funding.

### **Who Does What: System Stewards and Managers:**

With the introduction of the *HSA*, the Province assumed the role of "system stewards". This role involves setting the overall vision and establishing provincial interests for housing in Ontario, as well as the legislative and policy framework. While the role of CMSMs and DSSABs are clearly defined in policy and legislation, the obligations of the Province as the system steward are less clear.

As the Province sets the overall vision and policy framework that CMSMs and DSSABs operate in, a part of this stewardship role must be ensuring that the housing system is sustainable and that CMSMs and DSSABs are able to function as service system managers without impediment.

As service system management involves the funding, planning, managing and delivery of local services in a coordinated, integrated and seamless way, the continued existence of ministry silos is not conducive to the goals of service system management.

For integration to happen locally, it must also happen at the provincial level. With the consolidation of housing and homelessness, and a move beyond bricks and mortar, CMSMs and DSSABs will need information, resources and supports from a number of ministries. For example supportive housing is often managed through the Local Health Integration Network (LHIN) or through health service partners, and is often disconnected from housing and homelessness prevention strategies.

In the Ministry of Community and Social Services, developmental services are looking at and addressing affordable housing in the absence of consideration of the broader planning and implementation of the *HSA* and local requirements and service needs.

What is needed is a provincial framework that supports integration and coordination across relevant ministries to ensure that housing and related support services are aligned to support the implementation of local housing and homelessness plans.

A great deal of good work went into the PMFSDR<sup>22</sup> to identify what is needed to modernize social policy in Ontario including maximizing resources across provincial ministries. The *HSA* is an important step towards this vision. To realize the opportunity of moving housing and homelessness policies and interventions to a more responsive and effective state, the Province, must develop a strategic approach at the provincial level that includes understanding, integrating, coordinating, aligning and streamlining the many resources currently in the system across ministries and that these resources are on hand for CMSMs and DSSABs to implement their 10 year plans.

The Province must also continue to work with CMSMs and DSSABs as partners in the evolution of Ontario's housing and homelessness prevention system. This is critical to ensuring that the needs and resource requirements at the local level are understood and reflected in provincial policy deliberations and in provincial-federal discussions and negotiations.

This is a key role for the system steward.

## **Conclusion:**

### *CMSMs and DSSABs and Community Sustainability*

The introduction of the *HSA* was an important turning point in local decision making. The Act provides the framework for leveraging and utilizing the leadership role of CMSMs and DSSABs in building strong, sustainable and healthy lives and communities.

In our rapidly changing environment and as economic challenges continue and job precarity grows, it seems the time for local communities to have a more effective and comprehensive role in the planning and managing of local services and resources for a sustainable and healthy future is now.

In order to take the opportunity before us and to unleash the potential of CMSMs and DSSABs in their role as service system managers for housing and homelessness prevention, the Province must consider action on the 13 recommendations and issues identified within this paper.

OMSSA and its member delegates look forward to working with the Province on enabling innovation and the service system management role and most importantly on our partnership efforts to build thriving communities and a strong Ontario.

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<sup>22</sup> The Provincial Municipal Fiscal and Service Delivery Agreement, 2008, was a landmark provincial-municipal partnership and effort that sought to improve the provincial-municipal fiscal framework and modernize social policy in Ontario. <http://www.mah.gov.on.ca/Page181.aspx>

## Appendix A

### Social Assistance Rent Scales:

The Ontario Works (OW) rent scale for a benefit unit consisting of a recipient with no spouse but with one or more other dependants, as found in regulation 298/01.

Column 1	Column 2	Column 3
Benefit unit size (number of individuals)	Rent attributable to benefit unit (monthly)	Non-benefit income limit (monthly)
2	\$191	\$791
3	226	907
4	269	1,051
5	311	1,191
6	353	1,331
7	396	1,474
8	438	1,614
9	480	1,754
10	523	1,897
11	565	2,037
12 or more	607	2,117

CMSMs and DSSABs currently pay 11.4% of OW costs and 100% of social housing costs. Below is an illustration of the cost discrepancy to CMSMs and DSSABs depending on whether a recipient (a single client in this example) of OW lives in private or social housing:

▪ ***In Private Housing:***

Actual rent: \$600

OW maximum shelter amount: \$427 (Province \$379, Municipality \$48)

Tenant pays difference from basic allowance - \$173

**Total municipal costs: \$48**

▪ ***In Social Housing:***

Market or break-even rent: \$600

OW "rent scale" amount: \$109 (Province \$97, Municipality \$13)

CMSM or DSSAB pays social housing subsidy - \$491

**Total municipal costs: \$504**

## Appendix B

### Utility Scale for Electricity:

As seen in Table 1, which is taken from regulation 298/01, the utility scales set out amount that are meant to account for the differences in costs paid by social housing residents for their own utilities and those whose utility costs are included in the rent.<sup>23</sup> For example, if a household in a three bed-room unit in Timmins (Northern region) paid for its own heating and the unit was heated by electricity the rent would be calculated by taking 30% of the household income and reducing it by \$74 to account for the tenant’s cost of electricity.<sup>24</sup>

**Table 1: Utility Scale, Heat Allowance — Electricity**

		Region of Ontario			
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Item	Type of Unit	Southern	Central	Northeastern	Northern
1.	Apartment — Bachelor or one bedroom	\$40	\$45	\$46	\$55
2.	Apartment — Two bedrooms	42	47	48	59
3.	Apartment — Three or more bedrooms	53	57	60	74
4.	Row house	56	60	65	84
5.	Semi-detached house	76	80	88	111
6.	Single detached house	112	121	123	150

<sup>23</sup> District of Sault Ste. Marie Social Services Administration Board, *Social Housing Funding Issues Summary* May 2011

<sup>24</sup> CHF Canada, *Addressing Energy Poverty: Reforming Utility Allowances and Charges within Ontario’s Rent-Geared-to-Income Subsidy System*. 2010

## Appendix C

### General Characteristics of Mortgage/Debenture Financing for Programs Funded Under the Social Housing Agreement<sup>25</sup>

Program	Debenture/Mortgage	Flexibility to Refinance	Restrictions	Comments
Public Housing	CMHC or Provincial 50-year debentures; not on title  Some secured by first	May add a first mortgage to debenture projects	Debentures are closed; no prepayment provisions	Adding a first mortgage is possible if there is sufficient equity and cash flow in the project.  Local housing corporations are the responsibility of SMs and such SMs will be involved with potential refinancing efforts.
Limited Dividend (LD)	CMHC Mortgage Loan Program	Some flexibility	Some prepayment permitted	
Section 26	CMHC Mortgage Loan Program	Some flexibility on S. 26	Some prepayment permitted, but with a penalty of 3 months' interest	If there is sufficient equity and the new interest rate is favourable, the penalties may not be an obstacle.
Section 27	CMHC Mortgage Loan Program	Less flexibility than LD or S.26	No prepayment permitted; closed 50- year mortgages	Prepayment is subject to return of unearned capital contribution and net interest slippage charges from the date of payment to full maturation.

<sup>25</sup> Ministry of Municipal Affairs and Housing, *Redeveloping Social Housing in Ontario: a Provincial Guide and Perspective*, <http://www.mah.gov.on.ca/AssetFactory.aspx?did=10150> 2012. Page 23.

<b>Program</b>	<b>Debenture/ Mortgage</b>	<b>Flexibility to Refinance</b>	<b>Restrictions</b>	<b>Comments</b>
Section 95 Private Non- Profit	Mortgages renewed to maturity	Some flexibility at mortgage renewal	Some mortgages are CMHC direct lending; others are in the MBS capital pool – no prepayment permitted but can be refinanced at renewal. Any outstanding principal must be paid out and the mortgage may not qualify for re- entry to the MBS pool	Despite restrictions, there are options to refinance.  The impact of interest rates must be determined, as well as costs to existing balances.  Once out of the SHA, federal subsidies will cease.
Section 95 Municipal Non- Profit	As above	As above	As above	As above
Provincial Reformed	As above	As above	As above	As above
Urban Native pre-1986	CMHC Mortgage Loan Program (maximum 35 years)	Some flexibility at renewal		Once mortgages mature or are at renewal, there is an opportunity to refinance.
Urban Native post-1985 (non- profits & co- ops)	As above	As above		As above

## Appendix D

### Ministerial Consents:

Under the HSA ministerial consent is required for the following:

- “The sale or transfer of non-profit social housing projects and lands;
- The sale of a Local Housing Corporation’s (LHC) shares, the transfer of LHC’s shares or the amalgamation or dissolution of a LHC (unless prescribed requirements are met);
- The sale of public housing, unless it is being transferred to the Service Manager or certain other entities; and,
- An LHC opting out of the bulk purchasing of natural gas and insurance programs provided by the Housing Services Corporation (HSC).”<sup>26</sup>

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26 Ministry of Municipal Affairs and Housing, *Redeveloping Social Housing in Ontario: a Provincial Guide and Perspective*, <http://www.mah.gov.on.ca/AssetFactory.aspx?did=10150> 2012. Page 17.



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