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TO:	CHAIR AND MEMBERS COMMUNITY SERVICES COMMITTEE MEETING ON DECEMBER 19, 2011
FROM:	L. STEVENS DIRECTOR OF MUNICIPAL HOUSING COMMUNITY SERVICES DEPARTMENT
SUBJECT:	HOUSING SERVICES ACT

RECOMMENDATION

That, on the recommendation of the Director of Municipal Housing, with the concurrence of the Executive Director of Community Services, the following report with regard to the implementation of the *Housing Services Act 2011* **BE RECEIVED** for information purposes.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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BACKGROUND

On January 1, 2012, the new *Housing Services Act* (HSA) will replace the *Social Housing Reform Act* as the legislation guiding the administration of transferred social housing programs in Ontario. Much of the detail of the HSA is set out in the regulations. These also come into effect on January 1, 2012. This is the most significant change for housing previously under the *Social Housing Reform Act* (SHRA) in Ontario since the Province transferred social housing responsibilities to municipal Service Managers, including the City of London over ten years ago.

Significant changes include:

1. The *Housing Services Act 2011*(HSA) will replace the *Social Housing Reform Act, 2000* (SHRA) and details the new operating framework for the delivery of housing programs in the Province of Ontario. The new legislation incorporates some existing requirements but also introduces new requirements and the opportunity to establish local standards. Regulations are not yet available for rent-geared-to income (RGI) administration.
2. The HSA also identifies plans to consolidate homelessness and housing programs to replace the current program-focused framework and to provide municipal Service Managers with increased flexibility to meet local needs. The first phase seeks to consolidate the five homeless-related programs and funding by January 1, 2013.
3. The requirement for a local ten year Housing and Homelessness plan will create opportunities for consultation and collaboration to address both local needs and provincial interests. Development of the plan, which must be implemented by January 2014, will require a broad consultative process including key stakeholders and the community at large.

In addition to new opportunities, the legislation also creates some new areas of concern and does not address some outstanding areas of concerns, such as:

1. Consolidation of homelessness programs and funding, including a current lack of information on the funding model and how a previously uncapped program to meet local emergency demand (Emergency Hostel Program) will be incorporated. Staff requested that the Province to provide further information with regard to the Consolidation and opportunities for further consultation regarding proposed funding formula.



2. Implementation of the HSA will also require training and consultation on many levels. Initially, the focus will be on the implementation of any mandatory requirements for January 1, 2012. More extensive consultation will begin in the new year with focus on the Housing and Homelessness plan, local standards and Homelessness Program consolidation, particularly with prescribed Housing Providers. Staff will continue to network with other municipal Service Managers and sector organizations to assist with their understanding and implementation of the new legislation.
3. In order to meet the deadline for all mandatory requirements, administration will address any immediate policy considerations but otherwise maintain existing standards until such time as a full consultation can be undertaken. This will allow adequate time to fully consider the impact on program delivery and identify any outstanding issues or concerns that should be addressed with the Province.
4. While the new legislation brings expanded flexibility, it also increases the level of accountability. This will require additional oversight by housing programs staff to ensure Housing Provider compliance with the new requirements.

In order to ensure full implementation of all aspects of the HSA by the relevant deadlines, staff has established an action plan and work flow that identifies key activities and milestones that must be achieved by the end of 2013. Progress on the ongoing implementation will be addressed in future reports to Community Services Committee.

During consultation on the proposed HSA, the housing sector raised serious concerns regarding the proposed income tax based model for determining the rent-geared-to-income (RGI) assistance for households. The Province agreed to defer implementation of a tax based model until further analysis could be completed. It is unknown at this time when and if any new rules regarding RGI assistance will be implemented. In the interim, the existing sections governing RGI administration as outlined in Ontario Regulation 298/01 of the SHRA will continue to be in effect.

Housing and Homelessness Plans

In order to ensure that municipal Service Managers are meeting the Province's objectives under the HSA, the new legislation requires the development of local ten year Housing and Homelessness Plans which must be in place by January 1, 2014. The plans must be reviewed by the Province prior to implementation to ensure both compliance with the new legislation and that the plan incorporates the matters addressed in the Minister's policy statements and Provincial interests described in Part II, Section 4 of the HSA.

The Plans are intended to be a collaborative local approach to identifying and addressing solutions for all aspects of the housing stability continuum. Responsibility for development of the City of London plan will be shared by Community Services Housing and Social Services staff. The plan must address matters of provincial interest as outlined in policy statements issued under the Act. The Province's initial policy statement, issued on August 11, 2011 comes into effect on January 1, 2012 and identifies any targeted groups or priorities that must be addressed in the plan.

The City is well placed regarding the development of a joint ten year Housing and Homelessness Plan, given the current work underway with the 2010 London Community Housing Strategy and its compendium document the Community Plan on Homelessness.

Phase One Consolidation: Homelessness Programs and Funding

The Long Term Affordable Housing Strategy (LTAHS) identifies plans to consolidate the more than 20 provincial housing and homelessness programs. The intent of consolidation is to replace the current program-focused framework and provide municipal Service Managers greater flexibility to meet local needs. The first phase seeks to consolidate the following five homelessness related programs effective January 1, 2013.

City Staff participated in initial provincial consultations with other municipal Service Managers regarding the Homelessness Program Consolidation over the spring and summer of 2011. The Province identified its intention to further consult on the consolidation and proposed funding model in fall 2011. No further information has been provided at this time.



Training and Consultation

Community Services Housing staff participated in a technical briefing with the Province in August regarding the regulations, which provided a very high level overview. To date, the Province has not made any commitment to provide related training. Therefore, in order to assist with the work in interpreting and implementing the new requirements, staff has and will continue to participate in networking opportunities with other service managers and sector organizations.

In order to plan and prepare to be fully operational under the new requirements by January 1, 2012, staff will need to undertake the first tier of consultation and training with staff, Housing Providers and other stakeholders directly impacted by the legislated changes.

Beyond January 1, 2012, consultations will focus on areas of local discretion, Homelessness Program Consolidation and the Housing and Homelessness Plan. Due to the limited time frame between the filing of the regulations on August 11, 2011 and the January 1, 2012 commencement date, there is not sufficient time to adequately consult with key stakeholders and implement all of the new requirements. Staff is currently focused on the implementation of the mandatory requirements, with the remaining items to be addressed following consultation and discussion with key stakeholders.

Mandatory Requirements

In order to address the mandatory requirements under the new legislation, Housing staff is taking the following detailed approach:

1. Amendments to existing policies to address all mandatory requirements that must be in place for January 1, 2012. The majority of the proposed amendments are housekeeping to align the language in the policy document with the new requirements.
2. Review of any existing policies that fulfill the requirements of the new legislation as the standard, in order to maintain status quo until such time as there can be a full consultation to contemplate local delivery options and impacts.
3. Shortly after the implementation of the *Social Housing Reform Act* in 2001, the City entered into a Service Manager Administration Agreement with each of its social Housing Providers. These agreements require Housing Providers to place eligible applicants from the co-ordinated wait list for housing and determine eligibility for RGI subsidy in accordance with the *Social Housing Reform Act*. These agreements will be terminated and replaced with new agreements that include terms and conditions consistent with the requirements of the new legislation. It is anticipated that these agreements can be replaced on or before December 31, 2012.
4. The Housing Services Act enables Service Managers to mandate local operating standards and eligibility rules. Staff will work with housing stakeholders to develop new standards and rules as may be required and, in the interim, provincially prescribed standards under the SHRA will continue to apply. This will allow for proper consultation and Council consideration of any new policy directions.

Once the mandatory requirements have been met, the focus can shift to new areas of local discretion, consolidation of Homelessness Programs and the Housing and Homelessness Plan, which will be addressed in future reports to Committee and Council.

Despite staff's collective efforts to understand and interpret the legislation, with the assistance of various networking groups, the possibility exists that not all new requirements have been fully understood or interpreted. Where there remains any uncertainty around what is expected, staff will default to current practices until such time as clarification is made.

Flexibility and Accountability

Under the new legislation, Service Managers will have increased flexibility for establishing local rules and standards, some of which were previously prescribed under the SHRA. New areas of local discretion allow for the development of local rules relating to waiting list and RGI eligibility along with standards for Housing Provider operations including property management, conflict of interest, the



minimum number of Housing Provider board meetings, leases and multi-year financial plans.

However, with added flexibility, there is an increased level of accountability for the City of London. Staff will have the added responsibility of monitoring Housing Provider compliance with the new requirements and increased reporting requirements. Additional reports and updates outlining key milestones and recommended actions will follow for Council consideration.

Opportunities and Concerns

The increased flexibility created by the new legislation provides an opportunity for Service Managers and Housing Providers to address and/or correct outstanding program delivery concerns and program delivery issues to reflect local need and preferences. Opportunities include the ability to establish local standards on waiting list/RGI eligibility and Housing Provider operations, local flexibility for the waiting list selection process and expanded options to assist when Housing Providers are experiencing financial or compliance issues before incurring the cost of engaging a receiver.

The new legislation generally creates opportunities for local implementation; however, a number of new concerns or unaddressed concerns have been identified. Concerns include possible changes to the Ministry's annual financial reporting forms for Service Managers and Housing Providers.

There will also be additional staff time required to plan and implement the new legislative requirements and additional human resource demands to achieve the increased monitoring of Housing Provider compliance and to fulfill any new or changed reporting requirements to the Ministry of Municipal Affairs and Housing.

In addition, various networking groups, which staff have participated in, have identified a number of action items that will require future consultation with the Ministry of Municipal Affairs and Housing. These concerns include the proposed new RGI model, inter-Ministerial information sharing and the lack of any additional or new funding. Most of these issues and concerns will be communicated to the Province through these working groups, with the objective of influencing future consultation, ongoing dialogue with the Province and amendments to the legislation.

Concerns related to the Consolidation of Homelessness Programs include a current lack of information on the funding model and how a previously uncapped program to meet local emergency demand (Emergency Hostel Program) will be incorporated.

What is Requested from the Ministry

In order to fully understand and implement the new requirements anticipated under the *Housing Services Act*, the following supports/resources have been requested from the Ministry prior to the January 1, 2012 implementation deadline:

- Training on the new requirements;
- New housing provider and Service Manager annual reporting forms; and
- Templates (housing provider delegation, housing provider plans).

FINANCIAL IMPACT

Mandatory requirements under the *Housing Services Act* and policy considerations will require Housing staff to undertake the consultation and training with staff, Housing Providers and other stakeholders directly impacted by the legislated changes.

Beyond January 1, 2012, consultations will focus on areas of local discretion, Consolidation Homelessness Programs and the Housing and Homelessness Plan. The costs of implementing the mandatory social housing requirements can be accommodated using the approved budget.

Cost implications arising from program changes such as the Consolidation of Homelessness Programs, RGI income tax base calculation and new oversight & reporting responsibilities are currently unknown and will be communicated to Committee and Council as they are defined.

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Next Steps

Implementation and action plans have been drafted by Housing staff to identify mandatory requirements, priorities, related policy development, a consultation plan and other operational opportunities/considerations related to social housing. These working documents will assist staff in a structured approach to the implementation of the new legislation. Consultations will include all key stakeholders, particularly prescribed Housing Providers

RECOMMENDED BY:	CONCURRED BY:
LOUISE STEVENS DIRECTOR OF MUNICIPAL HOUSING	ROSS L. FAIR EXECUTIVE DIRECTOR COMMUNITY SERVICES

- C. C. Howard, Director, Social & Community Support Services
- S. Bennett, Director of Social Services, County of Middlesex