



	<b>REPORT NO.: 2018-32</b>
<b>MEETING DATE: MAY 17, 2018</b>	<b>DATE PREPARED: APRIL 24, 2018</b>
<b>SUBJECT: MULTI YEAR STRATEGY FOR THE ACHIEVEMENT OF THE TBDSSAB'S SERVICE LEVEL STANDARDS</b>	

**RECOMMENDATION**

THAT with respect to Report No. 2018-32 (Housing Services Division) we, The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board), approve the Multi-Year Strategy for the Achievement of TBDSSAB's Service Level Standards as presented;

AND THAT Administration provide a Report to the Board annually to outline the progress made towards meeting the Service Level Standards.

**REPORT SUMMARY**

To provide the Board with background information concerning the establishment of Service Level Standards (SLS) for Social Housing and options for a long-term strategy for the TBDSSAB's achievement of the SLS's.

**BACKGROUND**

Prior to 1999 Canada and the provinces directly delivered and administered social housing programs. In 1999 the Social Housing Agreement transferred federal funding and program responsibilities for many of Canada Mortgage & Housing's (CMHC) social housing programs to the provinces. It is notable that CMHC retained the responsibility for the federally funded Cooperative housing programs.

In Ontario, responsibility for funding and the overall administration has been transferred to the Service Manager level. There are 47 Services Managers in Ontario.

The *Social Housing Reform Act, 2000* included a prescribed funding formula and administrative regulations for Service Managers. Following the passing of the *Social Housing Reform Act*, Ontario incorporated 47 Local Housing Corporations (LHC's) with Service Managers as the sole shareholder of the respective LHC for their service area. The province transferred ownership of buildings and properties from its Ontario Housing Corporation to these LHC's. This first stage of social housing administrative responsibility transfer from Ontario to Service Managers occurred on January 1, 2001. This transfer

was followed by a second stage transfer of housing in 2002 which made Service Managers responsible for the administration of funding agreements with Non-Profit social housing providers in their catchment area.

The administrative and funding responsibility for Dedicated Supportive social housing providers remained with Ontario. The ownership and administrative responsibility for the Rural and Native Housing program was transferred from CMHC to Ontario. Ontario subsequently transferred that responsibility to the Ontario Aboriginal Housing Service.

With the transfer of social housing administrative and funding responsibility to Service Managers, the Province also established SLS's. The SLS's were set to ensure that after the transfer of social housing properties to the Service Managers, the social housing stock would not be diminished and that the same number of units would be maintained.

Historically most social housing providers were not attaining their targets at the time of transfer, but the assumption was that Service Managers would strive to achieve the established targets.

The SLS's were established for the following categories using the methodology outlined.

### **Public Housing**

Three months prior to the transfer of public housing in January 2001, LHC's were requested to report to the ministry the number of housing units in their portfolio, categorized as rent geared to income (RGI), high need households and modified units. The information provided to the ministry was used to set the service level standards for the public housing portfolio.

### **Rent Supplement**

The number of private landlord rent supplement units was based on information collected through the Ontario Housing Corporation's Micro Rents Tracking System (MRTS) as of November 2000.

### **Non-Profit**

This information was taken from the Non-Profit Budget Return System (NPBRS), which includes the budgets of non-profit housing corporations and Annual Information Return data. The number of modified units were taken from the survey that was conducted by the ministry in October 2000.

The Ontario Community Housing Assistance Program (OCHAP) and Community Sponsored Housing Program (CSHP) unit numbers were based on the numbers in the last Annual Information Return (AIR) submitted just before the transfer date to the municipality. OCHAP and CSHP were rent supplement programs designed for use in the non-profit housing sector.

The SLS categories defined by the Ministry of Housing as follows:

- 1. Number of Households whose income is no greater than the Household Income Limit (HIL)** - the Ministry made the assumption that all of the RGI units in public and non-profit and co-op housing were under the HIL.
- 2. Number of High Need Households** - for public housing it was 75% of the RGI units and 75% of the commercial rent supplement units. For non-profit housing, high need households were set as per the program requirements, 35% of the RGI units for the non-profits and 25% of the RGI units for the co-ops.
- 3. Number of Modified Units** were the actual number of units that were reported by the housing providers through the target and mandate exercise.

### **COMMENTS**

TBDSSAB Report No. 2017-78 (Social Housing Service Level Standards) showed the actual versus the targets for each of these categories. TBDSSAB has been relatively successful in achieving the targets determined by the Ministry of Housing. The updated comparison is shown in Attachment #1.

One notable area where TBDSSAB can readily add new units is the Private Landlord Rent Supplement Program (historically referred to as the Commercial Rent Supplement Program). Administration requested a budgetary increase for the addition of approximately 30 units to the Private Landlord Rent Supplement program as part of the 2018 budget process in order to close the gap between the Service Level Standard targets and the actual number of units.

In addition, with the sale of the Savant Lake, Upsala, and Nakina units due to chronic vacancies, the spread between the SLS and actual units has grown. It is recommended that a request be made to the Ministry of Housing to have these properties removed from the SLS's. This would reduce the total number of units required under the SLS.

It should be noted that although the units below SLS's are derived from specific categories, the goal is to achieve the overall standard of 3,601 units. TBDSSAB may use any of the tools at its disposal to achieve the SLS.

Administration committed to present a fulsome analysis outlining all options for meeting the TBDSSAB Service Level Standards including Private Landlord Rent Supplement, Portable Housing Benefit, Direct Owned Units, and Mixed Use properties. The following presents a number of the tools and options available to the TBDSSAB to achieve the SLS's.

Option	Annual Cost Per Unit (average of 1 bedroom units)	Pros	Cons
TBDDSAB Build/Direct Own	\$10,640	<ol style="list-style-type: none"> <li>1. All decision making/control of unit rests with TBDDSAB</li> <li>2. Eviction prevention policies/measures</li> <li>3. Tenant Support efforts</li> <li>4. Will remain a social housing unit</li> <li>5. No barrier to entry for marginalized populations</li> </ol>	<ol style="list-style-type: none"> <li>1. Without Provincial or Federal funding opportunities this is the most expensive option</li> <li>2. Multiple social housing units in one building – leads to stigma</li> <li>3. Once the unit is built, TBDDSAB limited with that unit size – if demand changes options limited</li> </ol>
Not for Profit Build/Direct Owned	\$10,791	<ol style="list-style-type: none"> <li>1. Relative certainty that the unit would remain a social housing unit</li> <li>2. No barrier to entry for marginalized populations</li> </ol>	<ol style="list-style-type: none"> <li>1. Relatively expensive option</li> <li>2. TBDDSAB does not own or control the unit</li> <li>3. May not have eviction prevention policies/measures</li> <li>4. Multiple social housing units in one building – leads to stigma</li> <li>5. Once the unit is built NP limited to that unit size – if demand changes options limited</li> </ol>

Option	Annual Cost Per Unit (average of 1 bedroom units)	Pros	Cons
Private Landlord Rent Supplement	\$7,600	<ol style="list-style-type: none"> <li>1. Cost effective option</li> <li>2. Units scattered to different locations</li> <li>3. Units can be picked up in all locations throughout the District of Thunder Bay that have available units</li> <li>4. If there is no longer demand for unit size TBDSSAB can cancel contract upon vacancy</li> </ol>	<ol style="list-style-type: none"> <li>1. Decision to add units rests with landlords</li> <li>2. Landlord participation in the program can be subject to vacancy rate (low vacancy = landlord leaves the program to raise rents vs. high vacancy landlord joins the program for rental stability)</li> <li>3. There must be available units in order to add to the program.</li> <li>4. May not have eviction prevention policies/measures</li> </ol>
New Portable Housing Benefit	\$4,800*	<ol style="list-style-type: none"> <li>1. The most cost-effective option</li> <li>2. Individuals are free to choose where they will reside anywhere within the District of Thunder Bay</li> <li>3. The individual determines what unit is right for them</li> <li>4. The individual is free to move to a new unit</li> </ol>	<ol style="list-style-type: none"> <li>1. There may be barriers to entry for marginalized individuals = individuals receiving a subsidy for housing but remain homeless</li> <li>2. Must have adequate private market stock for individuals to find housing</li> </ol>

\*New Portable Housing Cost Per Unit is an extrapolation based on a number of variable scenarios as an actual average is not possible as this program has not yet been implemented

Given the pros, cons, and costs associated with each of the options outlined in the chart above, Administration recommends the following strategy to best achieve the TBDSSAB SLS over the next 5 years.

Administration recommends that TBDSSAB increase the Private Landlord Rent Supplement budget by an estimated \$217,000 each year over the next five (5) years. This investment will be used to gain units through the Private Landlord Rent Supplement program and provide housing benefits through the Portable Housing Benefit program. The increased investment of an estimated \$217,000 per year will provide the resources to gain approximately 35 units per year utilizing these two program options.

With the amendments to O. Reg 367/11, the TBDSSAB is able to fund and deliver a Portable Housing Benefit, in accordance with the Provincial Framework, to meet the SLS.

The main benefits of the Portable Housing Benefit are the client-centered approach that allows the subsidy to move with the individual which offers people the freedom to choose where they live. In addition, the Portable Housing Benefit provides an additional tool for the TBDSSAB to provide greater access to a variety of housing options instead of being limited to traditional social housing stock. Lastly, the Portable Housing Benefit will result in more households with mixed incomes living in communities due to greater ability to diversify their housing portfolio.

Recipients of a Portable Housing Benefit would be selected from the centralized waiting list using selection system rules of the *Housing Services Act, 2011*, including provincial priority rules to count toward SLS.

On an annual basis, Administration will present the Board with a recommended plan to add to the eligible housing units to meet the SLS. With the current uncertainty in the provincial political environment and with changes in the economic status of communities throughout the District, presenting recommendations annually would allow for the greatest opportunity to address needs.

In addition, Administration recommends that by 2021/2022 TBDSSAB establishes a plan to construct and operate a total of 20 new RGI units. It is initially recommended that these units consist as part of a larger project where market, affordable, and RGI units are all included. TBDSSAB will explore funding opportunities for this project through the federal and provincial governments and possibly utilize social housing reserve fund resources for the construction of this project.

An unknown at this time is the full impact the National Housing Strategy may have on the current housing stock and the availability of future housing programs and opportunities. An initial capital funding program has just been announced under the Strategy, called the National Housing Co-Investment Fund. Administration will explore this and all available options under the National Housing Strategy and present recommendations to the Board as appropriate.

### **FINANCIAL IMPLICATIONS**

The financial implications of this report include an estimated \$217,000 per year over the next five (5) years to secure additional Private Market Rent Supplement units and provide new Portable Housing Benefits to individuals on the TBDSSAB housing waitlist. In



addition, resources may be required from the social housing reserve fund to allow the TBDSSAB to build a multi-unit project(s).

**CONCLUSION**

It is concluded that this report provides the Board with information concerning the establishment of Service Level Standards (SLS) for Social Housing and options for a long-term strategy for TBDSSAB’s achievement of the SLS’s.

**REFERENCE MATERIALS ATTACHED**

Attachment #1 – [TBDSSAB Service Level Standards Comparison 2002-2017](#)

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**Attachment #1 – TBDSSAB Service Level Standards to the Multi Year Strategy for the Achievement of Service Level Standards.**

<b>Year</b>	<b>At or Below the HIL</b>	<b>Variance</b>	<b>High Need</b>	<b>Variance</b>	<b>Modified</b>	<b>Variance</b>
SLS per Schedule 4 O.Reg. 367/11	3,601		1,987		263	
2002	3,488	-113	2,606	619	204	-59
2003	3,439	-162	2,583	596	210	-53
2004	3,257	-344	2,430	443	195	-68
2005	3,356	-245	2,484	497	198	-65
2006	3,287	-314	2,596	609	197	-66
2007	3,252	-349	2,197	210	196	-67
2008	3,212	-389	2,189	202	196	-67
2009	3,205	-396	2,230	243	189	-74
2010	3,178	-423	2,244	257	196	-67
2011	3,135	-466	2,123	136	211	-52
2012	3,256	-345	2,104	117	213	-50
2013	3,306	-295	2,300	313	258	-5
2014	3,264	-337	2,354	367	220	-43
2015	3,297	-304	2,573	586	248	-14
2016	3,341	-260	2,749	762	246	-17
2017	3,335	-266	2,739	752	248	-15