



# Building Foundations: Building Futures

*Ontario's Long-Term Affordable Housing Strategy*

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# Message From The Minister Of Municipal Affairs And Housing

Safe and affordable housing is fundamental for Ontarians striving to build a strong future for their families and their communities.

Affordable housing can help people break the cycle of poverty. It provides the foundation families need to raise their children and pursue education, jobs and more opportunity.

The McGuinty government understands that affordable housing opens doors to a better future. That's why, despite significant global economic challenges, we have not removed a single penny of the funds earmarked for housing. We have made significant investments to build and repair thousands of homes, provide rent support and prevent evictions.

But there is still work to be done. Record investments notwithstanding, we heard from people across the province that Ontario can do better, and we agree.

Our consultation on a Long-Term Affordable Housing Strategy told us that the current housing system is too complicated and creates barriers for people in need. The people who deliver housing programs told us they are unable to develop the best possible services because of dated provincial rules.

A good housing strategy must be about people, neighbourhoods and communities, rather than what best suits government. Our strategy needs to be flexible and consider the diversity of communities of all sizes, be they urban, rural, in the north or far north – because different communities have different priorities and needs.

We have listened to our stakeholders and partners, and that is why our long-term strategy focuses on results for people.

We are improving the affordable housing system from the ground up, building a strong foundation based on four key pillars: putting people first; creating strong partnerships; supporting affordable options; and accountability.



Ontario will work closely with municipalities to ensure we meet the unique needs of communities as diverse as Toronto and Sudbury or Kingston and Kenora. By establishing clear roles and responsibilities, and measuring our progress, we will ensure services are accountable and effective.

We also urge the federal government to commit to flexible long-term funding, as they are an important historic partner in affordable housing.

This Long-Term Affordable Housing Strategy document outlines our plan for the future and demonstrates how we are building on existing accomplishments.

I would like to thank the dedicated individuals and organizations that helped shape this long-term strategy. Your expertise is respected, and your commitment to improving lives and building strong communities helps make Ontario a great place to live.

Yours truly,

A handwritten signature in black ink that reads "Rick Bartolucci". The signature is written in a cursive style with a large initial "R".

**The Honourable Rick Bartolucci**  
Minister of Municipal Affairs and Housing

# Ontario's Long-Term Affordable Housing Strategy

## Vision

To improve Ontarian's access to adequate, suitable and affordable housing, and provide a solid foundation on which to secure employment, raise families and build strong communities.

## Principles

**People-Centred:** Housing programs, services and supports should be based on a “people first” approach that focuses on positive results for individuals and families.

**Partnership-Based:** Housing in Ontario requires strong partnerships between all levels of government, non-profit and co-operative housing providers, and the people who require housing support to build healthy, sustainable and inclusive neighbourhoods.

**Locally Driven:** Affordable housing must be locally relevant and provided in a supportive environment that includes access to jobs, community resources and services.

**Supportive:** Housing policy in Ontario will help those who are in need of housing move into permanent, affordable homes with appropriate support services.

**Inclusive:** All persons have the right to equal treatment and protection from discriminatory practices that limit their housing opportunities.

**Fiscally Responsible:** The strategy will reflect fiscal circumstances as they evolve, to promote a diverse housing marketplace that helps Ontarians access affordable housing.



## Building Foundations: Building Futures

*Ontario homeowners –  
3.2 million households*

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*Ontario renters –  
1.2 million households*

•

*20 per cent of renters  
live in social housing*

•

*Approximately 8,500  
Ontarians use a shelter  
on a daily basis*

For all Ontarians, from the most vulnerable to the most prosperous, home is the foundation of a strong family. At home, we raise children, care for the elderly, celebrate life's milestones, apply for jobs and plan our futures. Trying to do these things without the support and stability of a home is a daunting and for some, an insurmountable task.

In the 1990s, previous governments reduced funding for housing by transferring responsibility to municipal governments. That approach was short sighted.

Since 2003, the Ontario government has reaffirmed its commitment to affordable housing, with significant investments and new programs. But more needs to be done to improve the housing system. We need to ensure that resources and programs we have in place are helping people as effectively as possible, now and in the future.

### Continued Commitment

Our long-term strategy will build on Ontario's commitment to affordable housing. Over the past few years, significant investments have helped hundreds of thousands of Ontarians access safe and stable housing. Since 2003/04:

- More than \$2.5 billion has been invested to build and repair over 200,000 units of affordable and social housing
- More than 35,000 rent supplements are helping low-income Ontarians pay their rent – this includes a \$50 million Short-Term Rent Support Program
- Infrastructure Ontario's loan program has saved non-profit and co-operative housing providers \$13 million to date

In addition, Ontario provides approximately \$430 million in annual operating funding for housing and homelessness services. These ongoing funds support important programs and services such as:

- Emergency hostels for Ontarians who need immediate shelter
- Services to assist those who are at risk of or experiencing homelessness
- Supportive housing, which provides additional assistance for people in need
- The Provincial Rent Bank, which has helped more than 23,800 people stay in their homes

This government has a history of supporting affordable housing so more families have an opportunity for a better future, but we know that we need to build upon these efforts to help even more people get ahead.

## Coordinating Our Efforts

Ontario municipalities and Service Managers are full partners in affordable housing and we have worked closely with them to begin transforming the housing system. In 2008, the Provincial-Municipal Fiscal and Service Delivery Review reached a landmark agreement that will provide municipalities with a net benefit of \$1.5 billion annually by 2018. The review was a wide-ranging initiative that examined the provincial-municipal relationship in order to improve the delivery and funding of services for Ontarians.

Our Long-Term Affordable Housing Strategy builds on many recommendations from this review to:

- Work together to build locally-managed housing services
- Better focus on positive results for people
- Simplify the delivery of income assistance supports

Affordable housing is also an important part of Ontario’s Poverty Reduction Strategy, which concluded in 2008 that the province needed to work with its housing partners to make it easier for families to find and maintain affordable housing.

In 2009, the government held public consultations in communities across the province, to hear different perspectives on the current housing system and how it could be improved. These consultations have helped shape the long-term strategy, which reflects many of the important concerns raised by Ontarians.

## Moving Forward

Our long-term strategy includes proposed legislation, which if passed, would set the stage for a transformed affordable housing system built on **four key pillars**: putting people first; creating strong partnerships; supporting affordable options; and accountability. The legislation would support a community-centred approach where housing services are flexible, adapt to the different needs of local communities and do a better job of helping people.

### Service Managers:

*Consists of Municipal Service Managers that may include regional governments, counties and separated cities, and District Social Services Administration Boards, which are boards established in each of the 10 districts in Northern Ontario. Service Managers are responsible for delivering and administering social and affordable housing. They are also responsible for administering other social service programs such as Ontario Works and childcare.*



## Putting People First

Throughout our housing consultations, we heard many ideas about how housing services should change to focus on better outcomes for people.

Our housing strategy will put people first. Municipalities will have the flexibility to use existing funding to better address the distinct housing needs of their community. Tenants will have new opportunities to save money to build better futures and improve their access to housing programs. This is a key pillar of the strategy and will guide how housing services operate in the future.

### Simplifying Rent-Geared-To-Income

The current rules for calculating rent-geared-to-income assistance are complex. Tenants living in a rent-geared-to-income unit must declare every time their income changes, which can result in immediate increases to their rent.

This creates barriers and disincentives to work, making it difficult for tenants to plan for the future. This process is also an administrative burden for tenants, housing providers and Service Managers.

Problems with the current legislation were also pointed out by the Honourable Patrick J. Lesage in the Report On The Eviction Of Al Gosling And The Eviction Prevention Policy Of Toronto Community Housing Corporation. Lesage outlined the difficulties administrators have in interpreting complicated legislation and tenants have in complying with it.

*“The reform of rent-geared-to-income rules brings Ontario and its municipalities into the 21st century. Tenants will no longer be penalized for taking an extra shift at work or for receiving a modest raise with a corresponding rent increase the next month. A modern, efficient calculation method will empower tenants and allow municipalities to re-direct money from administration to initiatives that support people and the buildings they live in.”*

*- John Stapleton,  
Metcalf Foundation*



Our proposed legislation, if passed, would simplify the rent-geared-to-income calculation process. In most circumstances, tenants would only declare their income once a year, allowing them to use the extra money to improve their standard of living, rather than have it clawed back on their rent.

This change would also reduce or eliminate more than 60 criteria currently used to calculate income for rent-geared-to-income assistance.

Should tenants suffer a major loss of income during the year, measures would be in place to allow for a rent decrease.

Ontario will also work with the Canada Revenue Agency to create an automated, income tax based system for determining income, subject to agreement. A similar system has been successfully implemented in Newfoundland and Labrador.

Simplifying the rent-geared-to-income process would help families save and reduce the administration burden on housing providers. The province would work with Service Managers, tenants and housing organizations to develop the specific reforms to the rent-geared-to-income calculation.

## Building Assets

The Housing Services Corporation would also work with Service Managers to pilot an asset building program, to further help tenants living in social housing to plan for the future, build personal assets and become more self-sufficient.

*“My dream is homeownership. With this change to the way rent is calculated, it will make it that much easier to do so. I know there are lots of people who need to live in a place like this. If I can move out and give someone else the opportunity that I have had by living in a co-op on rent-geared-to-income, that would be fantastic. The Minister of Housing and Ontario have done a great job. It brings a whole new faith in our government system. It really does work.”*

*- Mary-Anne, single mother living in Aylmer*

## Providing More Tenant Services

Under the long-term strategy, the Social Housing Services Corporation would be renamed the Housing Services Corporation. It would continue to be an independent non-profit organization responsible for managing and administering cost-effective goods and services to social housing providers that are its members. It would have an expanded mandate to provide access to its services, as appropriate, to affordable and supportive housing providers and tenants. It would also be able to offer additional optional services and supports that will help tenants and housing providers, such as energy efficiency initiatives, tenant property insurance and tenant financial education.

## Enhanced Waiting Lists

The selection process for social housing units will also be adjusted. Tenants with serious health needs will be allowed to transfer to another jurisdiction without losing their place on the list. Best practices will be encouraged among Service Managers and new annual waiting list reporting requirements will be developed in 2011 and used to develop better information across the province.

## Helping Victims Of Domestic Violence

The province remains committed to its Special Priority Policy that gives victims of domestic violence priority on the social housing waiting list. This helps victims of domestic violence and their families escape unsafe and abusive situations.

Ontario will work with municipalities and housing providers to identify challenges with this policy and additional options to meet the needs of victims of domestic violence. Ontario's \$50 million Short-Term Rent Support Program will help, among others, victims of domestic violence.

## Local Review Process

Proposed legislation, if passed, would also require Service Managers to establish a local review process for social housing decisions.

This local review process would provide tenants and housing providers with the option to have a local, more independent review of decisions on matters such as subsidy suspensions, eligibility, rent determination and type of accommodation, as well as reducing, discontinuing or suspending a subsidy for housing providers. A new local review process is another way that the strategy puts people first.



## Creating Strong Partnerships

All partners including the province, municipalities, housing providers and other stakeholders play an important part in delivering housing services and programs in Ontario. Another key pillar of our Long-Term Affordable Housing Strategy is to build on these strong partnerships.

### Improving Client Services

Today, there are more than 20 provincial housing and homelessness programs in Ontario, each operating independently of each other and with their own rules. Currently, municipalities are generally required to use funding only for specific purposes set out by the province. People in need of services can find it discouraging and difficult to gain access to uncoordinated programs.

A central element of the long-term strategy is to consolidate the current patchwork of provincial housing programs and allow municipalities to use funding in a more flexible manner, reflective of local need. This recommendation was consistently made throughout the strategy consultations and was the consensus of the Provincial-Municipal Fiscal and Service Delivery Review.

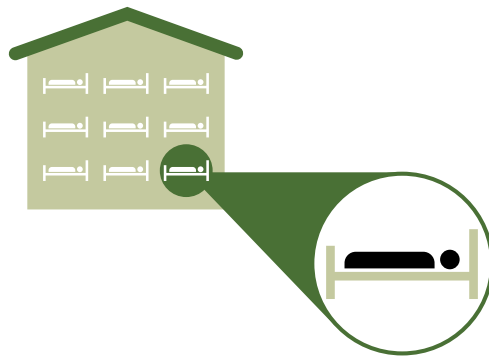
“The review partners will work towards consolidating the existing range of housing and homelessness programs into a housing service managed at the municipal level. This service should focus on better long-term outcomes for the people who use it and form a key element of the province’s Long-Term Affordable Housing Strategy.”

- Report of the Provincial-Municipal Fiscal and Service Delivery Review



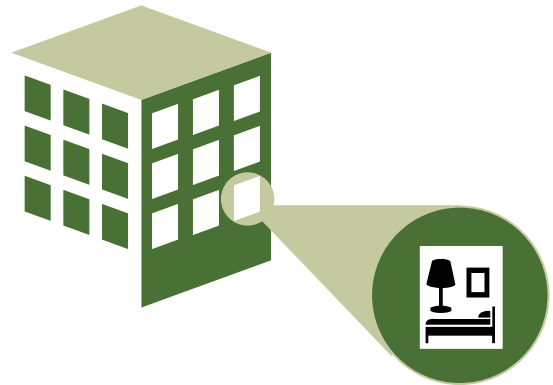
Through the strategy, an integrated, client-centred approach will replace the current program-focused system that is bound by unnecessary, restrictive guidelines. Housing supports will be wrapped around individuals and families, according to their specific needs. Of the approximately \$430 million in annual provincial operating funding, almost half will be consolidated by 2013.

For example, funding that must currently be used for emergency shelter beds could instead be used to provide a person with more stable housing, if it was a better way to meet community needs. Tax dollars could be used more efficiently as remaining funds could be used to provide additional social supports that might further help someone get ahead.



**Shelter Bed**

\$53/day = \$1,615/month



**Permanent Housing**

\$717/month

This is a real example of how a strategy focused on partnerships and putting people first would work. Housing programs would be flexible and tailored to local needs.

**Simplifying the System**

The first phase of consolidated funding will be designed in partnership with municipalities and consistent with the following priorities:

- Integrating housing services – matching up housing with human services and supports to optimize positive results for people in need
- Preventing homelessness

- Providing emergency shelter when needed
- Supporting rapid re-housing options for homeless individuals and families
- Maintaining accessible housing options

This first phase of consolidation will involve five homelessness-related programs, which would give Service Managers the flexibility to use funding to better meet the needs of those who are homeless or at risk of becoming homeless. The programs are:

- Consolidated homelessness prevention program – helps those experiencing or at risk of homelessness to find and maintain stable housing
- Emergency energy fund – helps prevent homelessness by reducing the risk of households being evicted due to energy arrears
- Emergency hostels – provide short-term lodging and a temporary personal needs allowance until an emergency situation is resolved
- Domiciliary hostels – provide permanent housing with supports for vulnerable adults who require limited supervision and support with daily activities
- Rent Bank – provides outstanding rent directly to landlords on behalf of tenants who, due to emergency or other unforeseen circumstances, are in short-term arrears and facing eviction

Going forward, municipalities will also have a more active, strategic role by creating comprehensive local housing and homelessness plans that identify community priorities and better target housing resources to people in need. These local plans, along with a new accountability framework, provide the foundation for how consolidated housing and homelessness programs will support local communities.

## Increasing Local Decision Making

Current legislation requires Service Managers to seek provincial approval known as “ministerial consent”, for a range of activities including financing, board of director matters and other changes to social housing properties.

As Service Managers have the experience needed to make locally relevant decisions, our strategy would remove this requirement. Service Managers would have the flexibility to make these decisions independently, with the exception of opting out of bulk purchasing of utilities and insurance.

Removing this barrier would reduce the time and resources required for housing providers to obtain approvals and streamline administration for Service Managers.

*“This strategy articulates the province’s recognition of the importance of strong partnership and collaboration with municipalities in the area of housing. We look forward to continuing to work with the province on all the elements that will make this strategy, including the groundbreaking move to begin to consolidate housing and homelessness programs so as to better serve Ontarians, a success.”*

*- David Rennie, President, Ontario Municipal Social Services Association*

## Long-Term Federal Commitment

The future of housing depends on adequate, sustained funding, which is why a long-term commitment is needed from the federal government. Current funding is either short-term or declining. This limits the ability of housing providers to plan long-term and fully participate in capital projects that build more affordable housing.

Ontario will partner with municipalities to engage other provinces, territories and the federal government to create a housing framework that includes long-term, flexible funding for affordable housing. This would include maintaining and restoring lost funds for social housing.

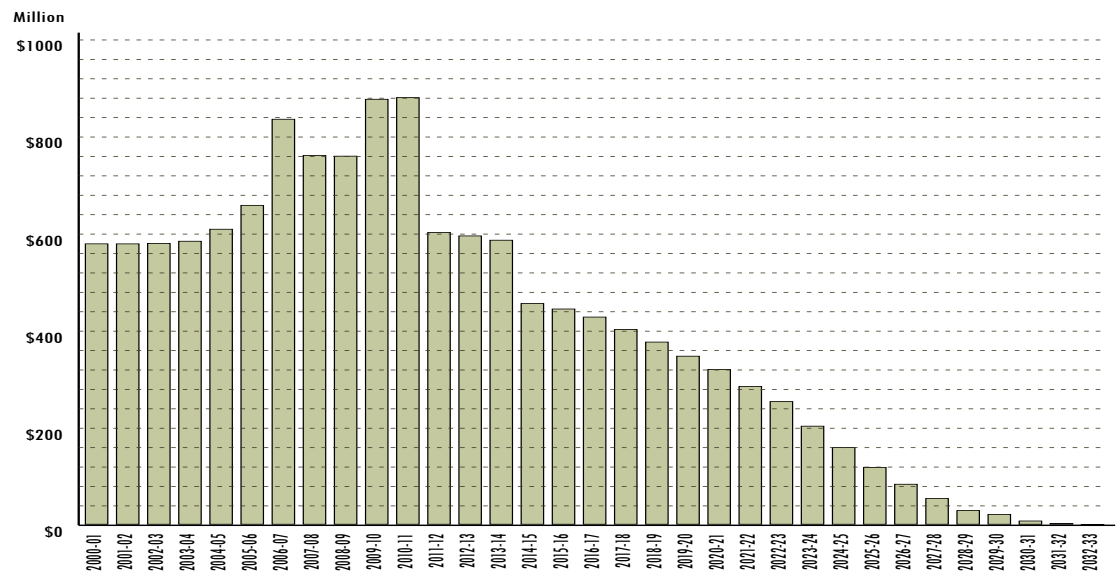
“Canada urgently needs a renewed funding commitment and a national housing plan led by the federal government.”

– Federation of Canadian Municipalities

While Ontario will provide municipalities with a net benefit of \$1.5 billion annually by 2018, the federal government will decrease housing funding to municipalities by \$166.2 million over the next 10 years, declining to \$0 by 2033.

We have often partnered with the federal government to ensure that Ontarians have more access to affordable housing throughout the province. But long-term stable funding is integral to the success of an affordable housing system that supports people in need, both today and tomorrow.

## Federal Housing Funding To Ontario



Source: Federal-Ontario funding agreements and Public Accounts

## Supporting Affordable Options

In 2006, the Ontario government made amendments to the Planning Act that promoted affordable housing and supported stronger communities. There are currently a range of planning and financial tools available to municipalities that encourage affordable housing including property tax exemptions for municipal housing facilities, loans and grants, and establishing targets through official plans.

### Second Units

To further expand affordable housing opportunities, amendments would be introduced to the Planning Act to require municipalities to establish policies allowing second units in new and existing developments. Second units are private, self-contained residential units with their own kitchen and bathroom, either located in a house or as accessory units, such as above laneway garages.

Second units must comply with all applicable requirements, including those related to health and safety. The proposed changes would not grandfather (or legalize) any existing second units which do not meet these requirements.

This change would provide more affordable options for lower and moderate income households, for elderly parents or live-in caregivers. It would also provide additional income for homeowners, such as first-time homebuyers who would have help with their mortgage payments.



## Protecting Non-profit and Co-operative Housing

Non-profit and co-operative housing organizations have the important role of helping deliver effective housing services to their tenants. Recognizing their positive contributions, investments under the Canada-Ontario Affordable Housing Program have resulted in more than 8,500 units of affordable housing being built by this sector.

On occasion, non-profit and co-op organizations encounter difficulties managing their buildings and may need additional support. The long-term strategy would give municipalities more options to work with these organizations instead of taking immediate control of them. The goal would be to maintain community-based approaches to housing.

The strategy would also require non-profit and co-operative housing providers to develop training and renewal plans. Many people in this sector are approaching retirement and these plans would outline how providers intend to have knowledgeable people in place to manage their buildings. This would help ensure that affordable options that exist today will continue to be available in the future.



Raiffeisen Co-operative Homes in Sudbury (pictured above) is adding another 80 new units of affordable housing, thanks to a \$3.3 million investment from the Canada-Ontario Affordable Housing Program.

# Accountability

During consultations, it was recognized that provincial and municipal responsibilities are often entangled and require greater clarity. The long-term strategy is based on a renewed partnership that clarifies roles and responsibilities, and shares accountability with municipal governments.

### ***Provincial Responsibilities:***

- Set the overall vision and objectives for housing in Ontario
- Establish the broad legislative and policy framework
- Establish provincial interests that must be reflected in local housing and homelessness plans
- Continue to fund affordable housing and homelessness programs – which is approximately \$430 million in ongoing, annual funding
- Ensure financial accountability through service agreements
- Provide annual reports on province-wide progress
- Engage the federal government to establish long-term sustainable funding

### ***Municipal Responsibilities:***

- Establish the local vision for housing
- Engage the local community to determine housing needs and local priorities for helping people in need
- Develop and implement local housing and homelessness plans within the broader provincial framework
- Contribute to and coordinate housing funding
- Monitor and report on progress



## Measuring Results

Ontarians want to know their tax dollars are getting results.

The success of the Long-Term Affordable Housing Strategy will be measured using performance indicators. The province and Service Managers would be required to report on progress in the following areas:

- The Ontario Housing Measure is used in the Poverty Reduction Strategy. It measures the percentage of households with children under 18 with incomes below 40 per cent of the median household income and paying more than 40 per cent of their income on housing.
- The Canada Mortgage and Housing Corporation’s annual Rental Affordability Indicator measures changes in the affordability of Ontario’s 10 largest rental markets over time.
- Social Housing Tenant Satisfaction Surveys will solicit social housing residents’ thoughts about their accommodations and inform housing providers, municipalities and the province on how we can do better.

Local performance measures and the tenant satisfaction survey will be developed in consultation with Service Managers, key stakeholders and tenants. Service Managers will begin collecting this information in 2012 and reporting on performance measures by 2013.

*Since 2004, Ontario has helped prevent more than 23,800 low-income families from being evicted because of a missed rent payment by investing \$33.8 million in the Provincial Rent Bank Program. As part of the Poverty Reduction Strategy, funding for this program has been stabilized at \$5 million per year and all Service Managers can participate in this program.*



**The long-term strategy will track progress in addressing Ontarians’ needs across the housing continuum.**

## Next Steps

Safe, stable and affordable housing opens doors to a prosperous future for Ontario families. That is why, since 2003, the province has been investing in affordable housing. Now is the time to rebuild the affordable housing system from the ground up.

Despite challenging economic times, Ontario is working hard to support our most vulnerable citizens and offer a range of housing options. This long-term strategy provides a solid base from which to begin fixing problems with the current housing system. We are making housing services more accessible and effective by putting people first.

Moving forward, we will immediately begin to put the strategy into action. And we will continue working closely with our partners to implement our strategy across the province.

We will convene working groups comprised of provincial and municipal staff, along with non-profit and co-operative housing providers, and community and tenant representatives as appropriate to provide advice. Next steps will include:

- Working with municipalities to create local housing plans that clearly define and address unique needs of communities by 2012
- Working with our partners to establish the specific components for consolidating approximately \$200 million in housing and homelessness programs by 2013
- Securing agreement from the federal government to move forward on an automated tax based rent-g geared-to-income approach
- Reporting on local progress indicators by 2013
- Working with municipalities to engage the federal government to commit to adequate, long-term funding

As the strategy is fully implemented, housing investments will be targeted to more effectively address local needs. More Ontarians will have better access to appropriate housing supports. An improved housing system will mean healthier neighbourhoods and stronger communities across Ontario.

Strong partnerships and collaboration – and listening to Ontarians – have been critical to developing our long-term strategy and are essential to the important work ahead. By measuring our progress and providing public annual reports and updates, we will also ensure the strategy is on the right track.

Transforming the housing system is a long-term commitment. It is a commitment we are proud to make because it will improve the quality of life for Ontario families. Through this strategy, we are building strong foundations and a better future for today and for years to come.

*During consultations, some of our partners proposed creating an Ontario Housing Benefit to help low-income Ontarians pay rent. Current financial challenges do not allow us to proceed to implement such a program at this time.*

*However, this does not prevent us from working with the Ministry of Community and Social Services and our housing partners, to explore this and other options for low-income Ontarians.*

For more information, please contact:

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