

Appendix A

City of Peterborough Response to the Long-Term Affordable Housing Strategy Update Consultation June 22, 2015

Introduction

The City of Peterborough welcomes this opportunity to provide input into the update of the Long-Term Affordable Housing Strategy (LTAHS). In the 15 years since social housing became a municipal responsibility, the City of Peterborough has been on the forefront of building new affordable housing in the Peterborough region and ensuring good building upkeep and effective governance among non-profit housing providers.

This response is structured according to a selection of themes and some of the specific questions from the MMAH consultation document. The response is focused on the housing sector, notably what MMAH can do to enhance affordable housing supply, improve policy environment for social housing, and provincial ministries' role in co-ordinating various supportive housing funding opportunities.

This response is consistent with the City's position with regard to the role of the federal government. In January, 2014, Peterborough City Council endorsed the Federation of Canadian Municipalities "Fixing the Housing Crunch" recommendation: that "the Minister of Employment and Social Development should develop a long-term plan for housing that puts core investments on solid ground, increases predictability, protects Canadians from the planned expiry of \$1.7 billion in social housing agreements and ensures a healthy stock of affordable rental housing for Canadians."

The original Long-Term Affordable Housing Strategy promoted and achieved significant advancements in the housing and homelessness sectors. Notably, with the development of the 10-year Housing and Homelessness Plan, the City of Peterborough is moving closer to providing a system-level response to housing affordability and homelessness challenges. The development of the Plan and Progress Report has informed our input into the LTAHS.

The City of Peterborough would like to express its support for the efforts of the Long-Term Affordable Housing Strategy Renewal Working Group, made up of Service Manager staff from the Ontario Municipal Social Services Association's Service Manager Housing Network, and staff from Housing Services Corporation. Their submission, "Building Sustainability in the Housing System" outlines short, medium and long-term opportunities that have the potential to create positive change for all Service Managers, including the City of Peterborough.

MMAH role in creating a Sustainable Supply of Affordable Housing

Use existing provincial programs to best advantage

MMAH should introduce multi-year funding allocations and end use-it-or-lose-it in-year restrictions for the Investment in Affordable Housing 2014 Extension. Requiring commitments within a specific year means Service Managers risk forfeiting funds and cannot plan strategically for projects that require funds beyond a single year funding envelope.

In the City of Peterborough, the redevelopment of Brock Mission men's shelter to add supportive and transitional housing requires funds from two funding years, as there are insufficient funds in any given year to support this major project. This means that the City must develop, administer and track multiple funding commitments for one project. This additional red tape could be eliminated by providing multi-year funding allocations.

Peterborough City and County have benefited from the Investment in Affordable Housing program and its predecessors, producing over 500 rental units at average and below-Average Market Rent. This success is attributable in part, to having potential shovel-ready projects for funding opportunities. But significant capital projects can be unpredictable, particularly when partnerships between community agencies and private developers are part of the process. The ability to roll over funding from one year to the next if a project fails to materialize is a missing element in the current program design.

Use a more needs-sensitive funding model for affordable housing programs

Funding allocations should better reflect key demographic, economic and built form characteristics, by amending the funding allocation model. Currently, allocations are based on household counts and number of households in core housing need, weighted equally. Other indicators, such as prevalence of low incomes, condition and age of housing stock should be included.

Households with low and moderate incomes (less than \$39,999) make up a higher proportion of the population in the Peterborough area (38%), than the norm in Ontario (32%). The Needs Assessment conducted for the 10-year Housing and Homelessness Plan showed higher percentages of older housing stock and housing stock in poor repair in the Peterborough region than provincial averages.

A recent report from the Mowat Centre shows that Peterborough has the highest rate of food insecurity in the province – an indicator that, for many people, too little is left over for food after housing costs are paid. According to one study, a \$100 increase in average market rent is associated with a 14% increase in food insecurity.

Reward Service Managers that have incentives for affordable housing

A greater proportion of funding should be provided to municipalities that provide their own incentives for affordable housing development as a reward for best practice.

In response to the demonstrated need for affordable housing, the City of Peterborough developed a Community Improvement Plan (CIP) for Affordable Housing. The CIP offers locally-sourced incentives for affordable housing development through Planning Act provisions. MMAH could provide an incentive to municipalities that go the extra mile to build affordable housing by supplementing the funding allocations for that location. While the Peterborough CIP for Affordable Housing has been well-received by private developers, predictable, enhanced funding is needed to create sustainable, truly affordable rental projects.

Use provincial Planning Act tools to better advantage

Changes to the Planning Act in 2011 to support the provision of Secondary Suites or Accessory Apartments will help to create affordable housing in Peterborough. However more could be done to maintain housing affordability. Planning for a range and mix of housing types only addresses a limited portion of the community's need for affordable housing and does not truly address that segment of the population in greatest need.

The Province should support municipalities in their efforts to plan for affordable housing by continuing to provide funding for affordable housing programs, by monitoring the economic status of communities and providing periodic advice on housing mix. Additionally, consideration should be given to enabling communities to zone for affordable housing and to require developers to make lots and/or units available to affordable housing providers through the plan of subdivision and condominium approval processes.

Supporting and regenerating the Non-profit Housing Sector

Provide more local flexibility in procurement

To ensure open and competitive bidding processes, as well as transparency and cost effectiveness for municipal property taxpayers, the province should remove the requirement for mandatory participation for social housing providers in the Housing Services Corporation's natural gas bulk purchasing programs.

Currently, all housing providers who are governed by the Housing Services Act are required to participate in the Housing Services Corporation (HSC) procurement program for bulk purchasing of natural gas. But many municipalities, both individually and through the Association of Municipalities of Ontario, have found that they were able to procure natural gas at better rates than those offered through HSC. CityHousing Hamilton estimates that in 2012 they paid 49% more on natural gas than they could have paid if they could opt out of mandatory bulk purchasing.

Create clear title for all social housing located on provincial/federal property

MMAH should review the provincial portfolio of its land holdings, and develop a plan to transfer all lands currently owned by the province on which social housing is located.

In Peterborough, there is one social housing provider operating on land owned by the province. In our experience (e.g. the transfer of land on Towerhill Road in 2009 from the province to the City), developing land transfer options, and implementing appropriate actions can take years, so the work to disassemble this relationship should begin now.

Work with other property stakeholders (e.g. churches and service clubs)

Churches and service clubs own land that is leased to non-profit social housing providers. MMAH should weigh in with advice, expectations, and incentives through negotiation with the Anglican Diocese, United Church of Canada etc, so that the expiry of the lease arrangement does not jeopardize the ongoing viability of social housing post expiry, and to facilitate borrowing for repairs.

In Peterborough, several United Churches and Anglican Churches are actively developing plans to cope with diminishing congregations and increasingly unviable real estate holdings. At least six of the churches that are exploring new direction are also sponsors of social housing. Their final plans could put social housing operation and governance at risk, and may result in millions of dollars of equity being forfeited to the sponsor, rather than staying in social housing

Set clear expectations of Services Managers in a post-expiry context

MMAH should set out clear, broad expectations through a Policy Statement regarding social housing as the portfolio approaches critical dates for expiring mortgages and operating agreements. This would be most useful if it is designed to assist (rather than mandate) Service Managers in developing their local strategies regarding the portfolio.

The Policy Statement should address provincial roles as well. It should address current gaps in provincial policy including broadening lending policies for Infrastructure Ontario to include repairs to social housing. It should set the path for including social and affordable housing in the provincial definition of infrastructure to facilitate funding and borrowing by Service Managers.

In Peterborough, several federal providers' original operating agreements have expired. The City is working with the non-profit boards to preserve affordable rents and equity within these expired projects, but is doing so in a policy vacuum. Also, there is lack of clarity regarding Service Levels, and whether some or all of the AHP, IAH and municipal-only housing initiatives can count now, or will be counted in the future, toward Service Levels.

Reporting for social housing should include more robust performance indicators that enable analysis of operational effectiveness across the province. For example, tracking accumulated surpluses/deficits, time to fill vacant units and vacancy loss, and tracking

of bad debts could be incorporated into Service Manager Annual Information Return (SMAIR.)

Recognize and support housing sector success

The Ontario Non-Profit Housing Association has had a successful mentorship program, where experienced non-profit professionals help ensure non-profit Boards and staff are adequately supported and capacity among non-profits is enhanced, by providing provincial funds for this program. MMAH should support this program with annual funding.

Two non-profit providers have used this program in Peterborough. In one case, the board was encouraged to stay on, find new members, and continue with a significant repair project (originating from deficiencies at time of construction). In the other case, a five year deficit reduction plan was developed for Peterborough's third largest social housing provider. This plan is now in its final year, and has proven to be an essential component to improving the financial outlook for this provider.

Sharing responsibility for impact of legislative changes

MMAH should provide extra funding to Service Managers specifically for costs arising from new provincial legislation.

In Peterborough, several social housing providers have been required to respond to requests for 'accommodation', which requires providers to tap into their already inadequately funded capital reserves.

As well, two social housing providers to date are required by the local Fire Department to comply with new Fire Code legislation regarding vulnerable tenants, at costs in the hundreds of thousands of dollars for enhanced fire separations, sprinklers and other measures. These new costs cannot be borne by the City without putting pressure on the "discretionary" capital funding the City provides to social housing just to keep up with normal maintenance and repair.

Address RGI complexities and minimum rent

MMAH should allow Service Managers to establish local policies with regard to income screening, rent calculation, and annual rent setting. The minimum rent should be eliminated to allow rents to increase to the maximum shelter allowance for social housing tenants who are receiving assistance from Ontario Works or Ontario Disability Support Program.

Fair System of Housing Access

Reduce complexity of social housing waiting lists to enable Service Managers and housing providers to more effectively use the waiting list and tenant selection systems so that it is more suited to a broader range of rent subsidy programs. Follow the suggestions in “Building Sustainability in the Housing System”, Ontario Municipal Social Services Association/Housing Services Corporation, 2015.

In the City of Peterborough, less than half of all subsidized units use the centralized waiting list. For the remaining units – developed under federal funding, the Affordable Housing Program and Investment in Affordable Housing, and rent supplement units, access is varied and inconsistent. The result is confusing and time-consuming for tenants and applicants, and unwieldy to manage at a systems level.

MMAH needs to review the HSA Special Priority requirements and develop alternative strategies to address the housing affordability needs of victims of domestic violence.

The Special Priority Policy (SPP) is intended to provide faster access to victims of domestic violence. But according to the 2014 ONPHA Waiting List Survey, in the City of Peterborough, applicants who have SPP status still wait an average of almost eight months before being housed. An eight month waiting period for a unit is too long for an “emergency” response. Allowing Service Managers to meet SPP requirements through alternative means, e.g. targeted rent supplements, has the potential to provide more responsive help as well as shorten wait times for households on the non-priority, chronological waiting list.

Coordinated, Accessible Support Services

Connections between housing and health, mental health and addictions services need to be coordinated at the local agency level. Local agencies must be instructed by their funders, including provincial ministries, to be part of people-centred solutions that incorporate housing.

MMAH needs to look at expanding requirements for built form for capital funding beyond existing residential definitions to allow for forms that allow supported and communal living.

Spruce Corners was transferred to Peterborough Housing Corporation in 2013, and demonstrates the type of build form that works well. It is a successful 8-bed supportive housing model with communal living space was developed in Apsley under MOHLTC funding in 1993. Individual bedsitting units are combined with shared space that allows for housekeeping, cooking, social space and health care staff support. This model provides an ideal environment to provide support and social inclusion for senior residents. The Spruce Corners model could be very successful for other demographics, including people who have been homeless, youth transitioning into independent living and singles that are isolated from family supports. Under current IAH requirements, the funding available per bedsitting unit would not be as high as if each bedroom were eligible for funding as a self-contained unit. This creates a disincentive for construction

of this form of housing, which may be expensive to build because of the need for institutional finishes.

Changes to built form requirements are necessary to develop programs that recognize that isolation and lack of social inclusion are real and significant contributors to risk of homelessness, particularly when combined with addictions or mental health challenges. In the Housing Stability Fund Peterborough Evaluation Report 2014, mental health challenges, addiction and lack of safety and security were cited as significant contributors to becoming homeless.

A guest at the Warming Room (a winter program for people who are unable or unwilling to stay at the emergency shelter) described how they preferred the community of shared space provided by the program over the isolation of a room of their own: “Now that many of us have found rooms, we are alone, no one to laugh with, no one to cry with, no one just to talk to, no more euchre games that I played just to be able to talk to people.”

Collaboration between Ministries

MMAH needs to continue to work with other ministries to structure the relationship between MOHLTC, MCSS and Service Managers.

The City of Peterborough and other Service Managers in the Central East LHIN catchment area collaborated with the CE LHIN to develop guiding principles and terms of reference for collaborating on Housing and Homelessness services. The resulting Framework agreement is being signed by Service Managers and the CE LHIN. A similarly structured relationship with MCSS on collaboration would help Service Managers to meet supportive housing targets in their 10-year Housing and Homelessness Plans.

Conclusion

The changes and new flexibilities that were introduced under the original Long-Term Affordable Housing Strategy recognized that Service Managers needed new tools to respond to the needs in their communities. The update to the LTAHS should recognize that the economic, policy and program environments are also shifting, and the potential for significant, system-level change is on the horizon.

In this changing environment, it is essential for Service Managers and the province to work in partnership to ensure that program and policy outcomes are aligned and mutually supportive. With several years of experience working under the Housing Services Act, with a new 10-year Housing and Homelessness Plan and integrated housing and homelessness funding, the City of Peterborough has demonstrated readiness to take on more authority and flexibility. The focus now is sustaining and regenerating the housing system and ending long-term homelessness. To make this happen, the City of Peterborough needs to be a key driver of policy and program decisions and a partner with the province.