



City of  
**Peterborough**

**TO: Members of the Joint Services Steering Committee**

**FROM: Malcolm Hunt, Director of Planning and Development Services**

**MEETING DATE: January 14, 2010**

**SUBJECT: Report PLHDJSSC10-01  
A Response To Ontario's Long-Term Affordable Housing  
Strategy Consultation**

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## **PURPOSE**

A report on the City of Peterborough's response as Service Manager for housing to the Ministry of Municipal Affairs and Housing's consultation on Ontario's Long-Term Affordable Housing Strategy, for information.

## **RECOMMENDATION**

That the Joint Services Steering Committee approve the recommendation outlined in Report PLHDJSSC10-01 dated January 14, 2010, of the Director of Planning and Development Services, as follows:

That the response to Ontario's Long-Term Affordable Housing Strategy Consultation be received for information.

## **BUDGET AND FINANCIAL IMPLICATIONS**

There are no budget implications of this Report.

## **BACKGROUND**

On July 8, 2009, the City of Peterborough received information advising that the Minister of Municipal Affairs and Housing, the Honourable James Watson, was holding consultations across the province on a Long-Term Affordable Housing Strategy for Ontario over the summer and fall, 2009. The Ministry seeks written submissions before December 31, 2009.

The City of Peterborough Council approved this report on December 14, 2009.

The Long-Term Affordable Housing Strategy will be aimed at making it easier for citizens to find and maintain affordable housing, over the next ten years. The Ministry wants to hear about what's working, how to improve programs and better use resources.

Public consultation sessions were set up regionally. Participants from Peterborough, including Housing Division staff, attended the sessions in Lindsay on September 17, 2009 and in Ottawa on July 27, 2009, as well as a session chaired by MPP Jeff Leal on September 14, 2009.

As Service Manager for Housing, the City of Peterborough is responding to the Minister's invitation to provide a written submission. The province has also received submissions from the Ontario Non-Profit Housing Association, a joint submission from the Social Housing Services Corporation and the Ontario Municipal Social Services Association, among many other submissions from other municipalities and housing stakeholders.

There are common themes reported by MMAH in the submissions received to date. These themes include the acknowledgement that housing is more than bricks and mortar, and that all citizens need to feel respect and dignity in their housing. Stakeholders have consistently called for a national housing strategy to be adequately funded by senior government. The province seeks more input on roles and responsibilities and program design changes, including a proposal to combine housing and homelessness to reduce administrative burdens and enhance service delivery.

The Ministry (MMAH) provided a booklet and five questions to structure stakeholder responses. “City of Peterborough’s Response to Ontario’s Long-Term Affordable Housing Strategy” **Appendix A** contains these questions and the proposed responses.

### **Overview of Recommended Response for Peterborough**

The “City of Peterborough’s Response to Ontario’s Long-Term Affordable Housing Strategy”, recommends a provincial strategy that supports:

- local responses to local needs, with a housing response to the deeper core needs of persons with disabilities and households of low income;
- more consistency between various pieces of legislation and programs that provide social assistance and social housing;
- housing as a fundamental determinant of individual and community health, and a net contributor to local and provincial economies;
- municipalities’ best use of new and existing resources, and provincial leadership on legislation governing land use planning and housing;
- partnerships between the three levels of government defined by clear roles and responsibilities for each partner; and,
- sustainable and predictable senior government funding and a menu of housing program options.

### **Process of Developing this Response**

The proposed “City of Peterborough’s Response to Ontario’s Long-Term Affordable Housing Strategy” is based on:

- The views of community members heard by City staff who attended three provincial consultations;
- Experience of staff administering the social housing portfolio, delivering the Affordable Housing Program to create new affordable housing supply and delivering other provincial programs (e.g. Rent Bank, ROOF, DOOR);
- Liaison and collaboration of City staff with local housing networks and social housing providers, including a specific City-sponsored forum on secondary suites where there was broad support for secondary suites as a means of increasing affordability, supporting aging in place and intensification;

- Review of existing research and information from various sources such as the Association of Municipalities of Ontario (AMO), Social Housing Services Corporation (SHSC), the Ontario Non-Profit Housing Association (ONPHA) and attendance at workshops provided by the Ontario Municipal Social Services Association (OMSSA); and,
- Collaboration with the local Central East Service Manager Network and participation at a consultation meeting with the Minister of Municipal Affairs and Housing in November 2009.
- The Affordable Housing Action Committee (AHAC) was provided an opportunity to comment on the proposed “City of Peterborough’s Response to Ontario’s Long-Term Affordable Housing Strategy”. The views expressed by AHAC have either been incorporated into this document, or will be considered as the City develops its own strategy. AHAC endorsed the proposed response at its meeting on November 10, 2009.

### **Peterborough Housing Strategy: Purpose and Timeline**

The Provincial *Growth Plan for the Greater Golden Horseshoe* requires upper- and single-tier municipalities to develop a housing strategy in consultation with lower-tier municipalities, the Minister of Municipal Affairs and Housing and other appropriate stakeholders. The housing strategy will set out a plan, including policies for official plans, to meet the range of needs of all residents, including the need for affordable housing – both ownership and rental housing, and include housing types and densities to support the achievement of the intensification and density targets.<sup>3.2.6.6)</sup>

The Housing Strategy for Peterborough is in development. The Strategy is being undertaken in conjunction with the Official Plan review and its focus on residential elements. It will build upon existing work and include community consultations at all levels. A community volunteer Steering Committee will assist staff in the process of creating the Peterborough Housing Strategy between now and April 2010.

## **SUMMARY**

The City of Peterborough’s response to the provincial consultation on their Long-Term Affordable Housing Strategy has been forwarded to the Ministry of Municipal Affairs and Housing as a Council endorsed position.

Submitted by,

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Attachments: Appendix A

## **APPENDIX A**

### **City of Peterborough Responses to the Province of Ontario's Long-Term Affordable Housing Strategy November 2009**

#### **A. Introduction**

The City of Peterborough appreciates the opportunity to provide input to the Province of Ontario on its proposed Long-Term Affordable Housing Strategy for Ontario. As a follow-up step, the City highly recommends that the province ask for comments from the Service Manager Housing Network on the draft Long-Term Affordable Housing Strategy before it is finalized.

The City, as Service Manager for housing for the City and County of Peterborough, has had responsibility for social housing and rent supplement programs since the early 2000s, and has recently increased the supply of affordable rental housing by approving capital funding for new construction. Service Managers in Ontario provide over \$800 million in municipal subsidies for social housing and deliver senior government funding for new housing programs.

The City of Peterborough is designated as a “growth area” under the Places to Grow legislation, and as such is in the process of preparing its own Housing Strategy to address the future housing needs of its residents.

The Province’s consultation is timely for several reasons. It has been almost a decade since service managers assumed responsibility for social housing, and it is time to take stock of what is working and what is not. Also, service managers have six years of experience delivering various federal-provincial supply programs, and it is time to review these programs with a focus on the service managers’ roles and responsibilities in Ontario.

For the City of Peterborough, the consultation is timely as it sets the stage for the City’s own strategic planning for residential growth and intensification, and new affordable housing construction. The City continues to be committed to increasing affordable housing opportunities for low-income households, improving the existing social housing stock and shares the goal of making affordable housing easier to find and maintain.

In general, the focus of the Province’s consultation on “making the housing system work better” is encouraging. The health and well-being of many citizens rests on good quality housing and we need a system of delivering it that works for all.

This approach is consistent with the City's vision of its housing programs and services, as both a social responsible activity for the City and crucial for long-term community planning.

In summary, the "City of Peterborough's Response to Ontario's Long-Term Affordable Housing Strategy", recommends a provincial strategy that supports:

- local responses to local needs, with a housing response to the deeper core needs of persons with disabilities and households of low income;
- more consistency between various pieces of legislation and programs that provide social assistance and social housing;
- housing as a fundamental determinant of individual and community health, and a net contributor to local and provincial economies;
- municipalities' best use of new and existing resources, and provincial leadership on legislation governing land use planning and housing;
- partnerships between the three levels of government defined by clear roles and responsibilities for each partner; and,
- sustainable and predictable senior government funding and a menu of housing program options.

## **B. Consultation Questions and Responses**

The Ministry's consultation booklet posed five questions. The City of Peterborough's response is set out after each question.

### **Question 1: What specific roles should each of the housing partners play in the delivery of affordable housing?**

#### **Municipal role**

- Plan, design, implement and monitor a local housing strategy that reflects local needs and priorities across a continuum of housing, and that strengthens communities and local capacity.
- Encourage housing production through land use planning initiatives (e.g. Official Plan, zoning, by-laws e.g. for secondary suites), providing concessions on property taxes and other fees, charges, and using other fiscal instruments available to municipalities.
- Implement and administer housing programs from a menu of programs developed under a national housing strategy, guided by provincial/territorial principles and funded by senior governments.

- Ensure effective administration, management, governance and condition of the local social housing portfolio, including ensuring fairness and equity in access.

### Provincial role

- Provide municipalities with an opportunity to comment on the draft Long-Term Affordable Housing Strategy before it becomes a public document.
- Resume full funding of (upload) social housing and remove it from the property tax base.
- Support local housing plans and establish a menu of housing programs within a national housing strategy.
- Establish the Principles to underpin the programs that municipalities design and deliver.
- Provide a sustainable, predictable funding base for the construction of affordable and supportive housing supply and on-going funding for social housing.
- Create legislation and housing policy to empower municipalities to meet local housing needs through both service delivery and land use planning mechanisms, and enable the best use of new and existing resources.
- Co-ordinate functions in housing, especially funding programs for supportive housing, among Ministries (MMAH, MCSS and MOHLTC).
- Disseminate housing information as a “provincial clearinghouse” using a provincial housing database, focused on the social and economic impacts of housing, as well as the challenges of building, operating and maintaining social and affordable housing in the province.
- Simplify the complex processes of developing affordable housing for non-profit community groups and private sector developers to encourage, not discourage them and to “disentangle” the administrative and accountability roles of province and municipality.
- Adequately fund social assistance and shelter allowance rates to reflect current rent realities or reform the Social Assistance system entirely (see recommendation below under “Financial and tax-based options” for a Housing Benefit/Allowance)



- Provide legislation which balances rights and responsibilities of landlords and tenants, sets out clear rules for establishing lawful rent in rent-geared-to-income situations, and deals with rent increases in realistic and fair ways.

#### Federal role

- Create a national housing policy or strategy in collaboration with provinces, territories and sector organizations, including municipalities in Ontario, beginning with passage of Bill 304.
- Provide sustainable, predictable funding to support new housing construction, continue federal support for existing social housing and address general housing sector needs through private sector repair and mortgage insurance programs.
- Promote initiatives aimed at housing for lowest-income households, renovation and repair, housing supports and prevention of homelessness in collaboration with municipal and provincial partners.
- Support private sector activity in multi-residential rental housing by creating more favourable tax policies especially with regard to capital gains.
- Conduct, sponsor and disseminate housing research and awards, and encourage academic involvement in housing policy at all levels of government.

#### Role of non-profit and co-operative housing providers

- Build, operate and maintain social and affordable housing.
- Advise government policy makers on emerging issues, trends and policy impacts.
- Identify local community and tenant needs and priorities.
- Establish best practices in housing operations and offer opportunity for training and education in them.

#### Private sector developers and landlords

- Build, operate and maintain private sector and affordable housing.
- Advise government policy makers on emerging issues, trends and policy impacts.
- Identify local community and tenant needs and priorities.

Citizens benefiting from and/or in need of affordable housing

- Participate in local consultations, advisory groups and planning initiatives.
- Propose solutions to identified needs.
  
- Volunteer on non-profit boards, participate in democratic processes.

**Question 2: What changes are needed to our housing programs to better use resources and improve access to affordable housing? Changes could include modifications to the Affordable Housing Program or the simplification of housing and homelessness programs.**

General comments

- A universal, portable Housing Benefit or Allowance should be seriously investigated as a means of improving housing affordability for the greatest number of people. Any model for such a benefit should account for its potential to increase rents and should be administered through the tax system.
  
- If the Canada- Ontario Affordable Housing Program (AHP) continues to be the main delivery vehicle for new supply, it needs to be changed to create new rental housing that is affordable to the lowest income households in a community, or at levels which are rent-geared-to-income (i.e. rents should be lower than 80% of market rent).
  
- Service managers must have certainty in annual AHP funding allocations through a predictable, sustainable funding model, or notional funding allocations for specific programs in order to:
  - manage a fair process of inviting and selecting affordable housing project proposals, or undertaking large scale repair projects
  - approve projects in time for the construction season
  - create partnerships for supportive housing and support services in new affordable housing projects
  - establish and achieve affordable housing targets as set out in local housing strategies.
  
- Simplify the AHP by:
  - ending duplication in administration between the province and service managers
  - refocusing accountability from meeting timelines and targets to initial project viability analysis

- streamlining service manager administration and creating consistency across various rental programs; and
- by more clearly defining the process for service managers to manage the twenty-year relationship with affordable housing providers (specifically mortgage renewals).
- Service manager funding allocations from senior governments need to reflect the differences among municipalities, such as condition of housing stock, economic and demographic circumstances, and municipal governance models. There is not a suitable “one size fits all” approach. Factors such as demographics (e.g. age and average income), housing market (e.g. average rents and vacancy rates, age of housing stock), and population trends (e.g. growth projections) should be taken into consideration in determining service manager funding allocations.
- Senior governments must support funding for service managers to make investments in regular repair and ongoing maintenance of existing and new affordable housing in addition to funding for new construction.
- Rural housing challenges and needs must be better recognized by the AHP (e.g. water, septic and other services in unserved areas).

Delivery of housing and homelessness services:

- Eligibility policies for housing RGI subsidies and other social programs (such as discretionary benefits, Long Term Care, child care) should all ensure fair and simple access for clients.
- Eligibility requirements such as definition of income, earnings exemptions / deductions and asset levels should be made more consistent among social assistance and housing assistance programs and legislation without compromising or limiting access and recognize that not all social housing residents are recipients of social assistance.
- Develop supportive housing for homeless persons, vulnerable seniors, and other at-risk people. New opportunities to develop supportive housing must also provide for co-ordinating capital funding and support service funding.
- A “continuum of housing” approach should create a service delivery and funding model that supports a variety of housing to address emergency homelessness situations through to affordable home ownership.

**Question 3: What changes are required to the Social Housing Reform Act (SHRA), 2000 to reduce the regulatory burden and improve the management of social housing?**

The SHRA 2000 is provincial legislation that affects three key stakeholder groups: social housing tenants; municipalities designated as service managers; and non-profit housing corporations. The SHRA 2000 was aimed at the now-completed process of devolution of responsibility for social housing to service managers, and the transfer of social housing assets previously owned by the provincial government. With the completion of that process, it is time to recast the Act to reflect the maturity of service managers and a clearer understanding of provincial and municipal roles and responsibilities.

Service managers and others have long argued for a thorough review of the SHRA to ensure that provincial legislation is generally suited to the current situation, and addresses specific issues now known to be problematic. It is recommended that the province:

- Create a process to collaborate with service managers first, followed by key stakeholder groups, in order to introduce new legislation which is focused on *outcomes* for service managers and social housing providers
- This new legislation should modernize the SHRA to provide a framework for municipalities to plan for and administer social housing programs to respond to local realities, including:
  - improving and clarifying the process of calculating rent subsidies for social housing tenants, harmonizing approach to utility costs, establishing lawful rent, raising rents and clarifying jurisdictional issues between the SHRA and the Landlord Tenant Board
  - facilitating efficiencies in social housing program administration and funding models by harmonizing approaches to the wide variety of program requirements currently within service managers' portfolios
  - improving the operating environment for social housing providers to lighten the burden of administration e.g reviewing the need for annual income verification for selected tenants
  - addressing inconsistencies and complexities in the SHRA related to provincial mortgage renewal; offer blend and extend options for existing mortgages and greater flexibility in use of equity and surplus property
  - simplify requirements for social housing providers that are also operating affordable housing

- address issues of access to social housing through common waiting lists and special priorities to eliminate unintended consequences (e.g. concentration of special priority applicants in social housing projects that have high turn over of units)

**Question 4: What creative new ideas could improve the current housing system? This could include new planning tools, innovative financial options and new green technologies.**

Planning initiatives and municipal authorities:

- o provincial government funding should support municipal efforts to meet growth requirements, including such things as inclusionary zoning, support for creation of secondary suites /accessory apartments as a means of creating and legalizing this source of affordable housing.
- o both provincial and municipal governments should maintain a focus for affordability, suitability and adequacy in the broader housing market, since the private market is the largest source of rental housing. This focus could include: ensuring maintenance and property standards, measures to control rent increases; demolition and conversion controls; minimum targets for affordability in new housing developments.

Financial and tax-based options:

- o introduce a universal, portable Housing Benefit/Allowance for all low-income people who need help with housing costs (those on social assistance, those financially eligible for social assistance but who cannot collect it and homeless persons), by topping up the shelter component of social assistance in the short-term and replacing it in the long-term. The potential for accompanying rent increases must be accounted for in the formula for calculating the Housing Benefit (work has been done on this and is available for study). Other housing allowances (e.g. ROOF) would be joined in the new Benefit.
- o increase maximum provincial personal income tax rebate for sales tax and property taxes for low-income households from current \$1,000 per year.
- o Focus on federal tax treatment of private sector multi-residential properties.
- o Establish a provincial working group to develop recommendations on whether it is appropriate and consistent with strategic direction for housing in Ontario to continue to charge:

- provincial land transfer tax for affordable housing developments
- municipal and education property taxes for social and affordable housing projects
- 50% GST for social housing, 100% GST for affordable housing
- provincial government should ensure that income support programs (e.g. minimum wage, Ontario Works, Ontario Disability Support Program, rent supplements and shelter allowances) reflect the true cost of housing and are well-coordinated with housing supply programs

**Question 5: What should be used as the housing indicator for Ontario's Poverty Reduction Strategy? In this context, what do terms like affordable, adequate and suitable housing mean to you?**

Ontario's Poverty Reduction Strategy may address needs of families, but many low-income households are single and senior couples without dependent children. Therefore, the housing indicator must be sufficiently inclusive so as to measure the effect of provincial programs and policies on all low-income households.

- Any housing indicator must address the broad market and not just the social and affordable housing market supported by government programs. This is because the majority of low-income households live in the private sector.
- Housing indicators which are historically reliable and documented over many years include: vacancy rate; average rent and house price; average income by age and household composition; housing starts by tenure; social housing waiting list (number of households on list and wait time); proportion of household income used for housing costs, and evictions for non-payment of rent. All these indicators should continue to be tracked, with annual "status" reports provided by the province.
- Housing indicators which are current tracked by service managers include: municipal cost of social housing; social housing waiting list applications and wait time; social housing rent revenue; number of households on rent-geared to income; number of people living in social housing; social assistance case loads; building permits and planning applications for new housing.
- The terms "adequate and suitable" are appropriately defined by Canada Mortgage and Housing Corporation (CMHC) but not the term "affordable". Until the early 1990s, "affordable" was defined as housing costs within 25% of household income, and this target should be reinstated (e.g. reduce current target of 30% of household income).

- Preferable to a redefinition of “affordable” as a point or percentage, the province should recognize that affordability is a *continuum*, defined best by the household experiencing it and possibly occurring at different times in their economic life.