



The Regional Municipality of Durham

Health & Social Services Committee Agenda

Council Chambers
Regional Headquarters Building
605 Rossland Road East, Whitby

Thursday, July 9, 2020

9:30 AM

Please note: In an effort to help mitigate the spread of COVID-19, and to generally comply with the directions from the Government of Ontario, it is requested in the strongest terms that Members participate in the meeting electronically. Regional Headquarters is closed to the public, all members of the public may view the Committee meeting via live streaming, instead of attending the meeting in person. If you wish to register as a delegate regarding an agenda item, you may register in advance of the meeting by noon on the day prior to the meeting by emailing delegations@durham.ca and will be provided with the details to delegate electronically.

1. Roll Call

2. Declarations of Interest

3. Adoption of Minutes

- A) Health & Social Services Committee meeting – June 4, 2020

Pages 4 - 8

4. Statutory Public Meetings

There are no statutory public meetings

5. Delegations

There are no delegations.

6. Presentations

There are no presentations.

7. Health

7.1 Correspondence

7.2 Reports

There are no Health Reports to consider

8. Social Services

8.1 Correspondence

- A) Correspondence from the City of Oshawa re: Resolution passed at their Council meeting held on May 25, 2020, regarding the Licensing Payday Loan Establishments 9 - 46

**Pulled from June 26, 2020 Council Information Package
by Councillor John Neal**

Recommendation: Receive for Information

- B) Correspondence from the City of Oshawa re: Resolution passed at their Council meeting held on June 9, 2020, regarding Funding to Expand the Scope of the City's Security Services and Retain CDN Protection Limited 47 - 48

Recommendation: Refer to Staff

8.2 Reports

- A) At Home in Durham, the Durham Housing Plan 2014-2024 Annual Report (2020-SS-8) 49 - 53
- B) Expedited Supportive Housing Development (2020-SS-9) 54 - 64
- C) Information Sharing Agreement with Durham Connect (2020-SS-10) 65 - 67

9. Advisory Committee Resolutions

There are no advisory committee resolutions to be considered

10. Confidential Matters

There are no confidential matters to be considered

11. Other Business

12. Date of Next Meeting

Thursday, September 10, 2020 at 9:30 AM

13. Adjournment

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The Regional Municipality of Durham

MINUTES

HEALTH & SOCIAL SERVICES COMMITTEE

Thursday, June 4, 2020

A regular meeting of the Health & Social Services Committee was held on Thursday, June 4, 2020 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:30 AM. Electronic participation was offered for this meeting.

1. Roll Call

Present: Councillor Chapman, Chair
Councillor Pickles, Vice-Chair
Councillor Anderson
Councillor Carter
Councillor Dies
Councillor Roy left the meeting at 10 AM
Councillor Wotten
Regional Chair Henry
***all members of the Committee except Councillor Chapman and Regional Chair Henry participated electronically**

Also
Present: Councillor Highet

Staff
Present: E. Baxter-Trahair, Chief Administrative Officer
S. Danos-Papaconstantinou, Commissioner of Social Services
R. Inacio, Systems Support Specialist, Corporate Services – IT
R.J. Kyle, Commissioner and Medical Officer of Health
S. Penak, Committee Clerk, Corporate Services – Legislative Services
N. Prasad, Committee Clerk, Corporate Services – Legislative Services

2. Declarations of Interest

There were no declarations of interest.

3. Adoption of Minutes

Moved by Councillor Roy, Seconded by Councillor Dies,
(17) That the minutes of the regular Health & Social Services Committee meeting held on Thursday, March 5, 2020, be adopted.

CARRIED

4. Statutory Public Meetings

There were no statutory public meetings.

5. Delegations

5.1 Colin Barnard, Durham Region resident re: Durham Region Rent Geared to Income Housing

C. Barnard withdrew his delegation request prior to the meeting.

5.2 Anthony Cecchetto, Durham Region resident re: Vaping

A. Cecchetto provided a verbal presentation regarding vaping. A copy of his speaking notes was provided to the Committee via email.

A. Cecchetto stated that according to his research, smoking rates among youth have gone down due to the use of vaping. He stated that youth are using vaping products daily instead of turning to smoking and that his father who has been a smoker his whole life, has been smoke free for almost a month due to determination and a nicotine delivery system.

A. Cecchetto also stated that he speaks to vapers on a daily basis as well as smokers looking to quit and has begged smokers give vaping products a chance to work. He further stated that vaping is an effective tool for quitting smoking and some studies have misled the public into believing that vaping is bad.

A. Cecchetto stated that he would like to know why vaping isn't allowed at vape shops and would like to see the data that supports this.

6. Presentations

6.1 Dr. Robert Kyle, Commissioner and Medical Officer of Health and Stella Danos-Papaconstantinou, Commissioner of Social Services, regarding Health and Social Services COVID-19 Response Update

Dr. R.J. Kyle and S. Danos-Papaconstantinou provided a PowerPoint Presentation regarding the Health and Social Services COVID-19 Response Update. A copy of the presentation was provided to Committee members via email.

Highlights of the presentation included the following:

- Health Response to COVID-19
 - Enhanced Surveillance Testing
 - Case & Contact Management
 - Reopening of Businesses

- Enhancements to the Data Tracker
- Public Health Adaptive Restoration Plan
- Working in Collaboration
- Social Services Response to COVID-19
 - Support to the Community
 - Looking Ahead

Dr. Kyle stated that the Health Department has been working around the clock to keep the residents of Durham Region safe. He provided statistical information as of June 2, 2020 with regards to the number of phone interactions, completed nursing assessments, investigations re: priority populations, follow-ups with Long Term Care Homes and Retirement Homes, calls to Region of Durham Paramedic Services, and patients transported to hospitals.

Dr. Kyle stated that the Chief Medical Officer of Health for Ontario has noted that data suggests that Ontario is moving past the peak of COVID-19 infection. Dr. Kyle stated that the data supports movement past the peak in Durham and noted that the data also shows that community spread is still occurring. He advised that case and contact management continues to be a main focus of COVID-19 response activities.

With regards to the reopening of businesses, Dr. Kyle advised that a new online Community Reopening Toolkit with downloadable signage and flyers to provide businesses and the community with information on the safe reopening of services was launched on May 29. It includes links to resources from a variety of industry agencies and numerous guidance documents for sector-specific businesses and services and will be updated as new openings and phases are announced. Dr. Kyle further advised that a Public Health Adaptive Restoration Plan has been developed with a planned restoration period from July to September.

S. Danos-Papaconstantinou provided updates with regards to Early Learning and Child Care; Long-Term Care; Financial Assistance; Family Services Durham; Support to the vulnerable sector (human trafficking victims, unsheltered population, shelters/hotel program); and the Newly formed Health, Homelessness and Housing Committee, developed to plan and implement a collective response to address COVID-19 in Durham and post-pandemic.

With regards to support to the community, S. Danos-Papaconstantinou advised that there is a COVID-19 Community Assistance Fund that is available as a one-time allocation for non-profit organizations in Durham Region and is available to agencies providing urgent help to homeless residents and residents at risk of homelessness impacted by the pandemic. She also advised that there is a Funders Table which ensures that funding allocations are informed by data and coordinated to avoid duplication for meeting community needs, as well as a Virtual Outreach Team which provides priority areas of support for individuals requiring outreach.

S. Danos-Papaconstantinou further advised that the Social Services Department is currently assessing program deliverables and provisions for a planned restoration of services.

Dr. Kyle and S. Danos-Papaconstantinou responded to questions with regards to whether there have been any cases of COVID-19 in children at the childcare centres; testing at the assessment centres; compliance of the order at Orchard Villa and the present situation.

Dr. Kyle was requested to provide information to Councillor Dies regarding the availability of translation services for the Toolkit. He was also requested to provide information to Councillor Anderson regarding the additional \$4 per hour offered to Public Service Workers in Ontario.

7. Health

7.1 Correspondence

There were no communications to consider.

7.2 Reports

There were no Health Reports to consider.

8. Social Services

8.1 Correspondence

There were no communications to consider.

8.2 Reports

There were no Social Services Reports to consider.

9. Advisory Committee Resolutions

There were no advisory committee resolutions to be considered.

10. Confidential Matters

There were no confidential matters to be considered.

11. Other Business

11.1 Delegation from Anthony Cecchetto, Durham Region resident re: Vaping

Moved by Councillor Dies, Seconded by Regional Chair Henry,
(18) That the delegation from Mr. Anthony Cecchetto be referred to staff in the Health Department to provide further information and statistics to Mr. Cecchetto directly on the issues raised in his delegation.

CARRIED

12. Date of Next Meeting

The next regularly scheduled Health & Social Services Committee meeting will be held on Thursday, July 9, 2020 at 9:30 AM in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

13. Adjournment

Moved by Regional Chair Henry, Seconded by Councillor Anderson,
(19) That the meeting be adjourned.

CARRIED

The meeting adjourned at 10:20 AM

Respectfully submitted,

B. Chapman, Chair

N. Prasad, Committee Clerk

File: A-2100

June 17, 2020

DELIVERED BY EMAIL

The Right Honourable Justin Trudeau,
Prime Minister of Canada
Email: justin.trudeau@parl.gc.ca

The Honourable Doug Ford,
Premier of Ontario
Email: premier@ontario.ca

Re: Licensing Payday Loan Establishments

Oshawa City Council considered the above matter at its meeting of May 25, 2020 and adopted the following recommendation:

1. "That in accordance with Section 5.6.2 of Report CNCL-20-76 concerning Licensing Payday Loan Establishments dated May 20, 2020, the Licensing By-law 120-2005, as amended, and General Fees and Charges By-law 13-2003, as amended, be further amended to:
 - establish a licensing system for payday loan establishments as generally set out in Section 5.6 of the Report
 - restrict the number of payday loan establishments to 2 per ward to a maximum of 10 in the City
 - prohibit new payday loan establishments in the Downtown Urban Growth Centre as defined in the Oshawa Official Plan
 - establish a minimum 150m setback from other payday loan establishments and elementary and secondary schools
 - include appropriate grandfather provisions for existing establishments

and that such an amending by-law be passed in a form and content acceptable to the Commissioner, Corporate Services Department and Legal Services; and,

2. That the notice provisions of By-law 147-2007 be waived in connection with the introduction of the licensing system for payday loan establishments and associated fees; and,
3. That Council requests the Province of Ontario to limit the annual interest rates to a reasonable amount for all payday loans; and,
4. That Council requests the Federal Government to:
 - Require chartered banks and credit unions to have branches in low-income neighbourhoods which offer credit lines to low-income people at the same rates they offer to other customers;
 - Work with partners such as credit unions and chartered banks, to encourage and steward the development of lower-cost financial products that can provide an alternative for users of payday loan establishments; and,
5. That this report and resolution be forwarded to Prime Minister Trudeau, Premier Ford, local Oshawa MPs and MPPs, the Region of Durham, all Durham municipalities, the Federation of Canadian Municipalities and the Association of Municipalities of Ontario.”

Please find attached Report CNCL-20-76.

Oshawa City Council respectfully requests your consideration of the above noted matters.

If you need further assistance concerning this matter, please contact Tracy Adams, Commissioner, Corporate Services Department at the address listed on Page 1 or by telephone at 905-436-3311.



Mary Medeiros
City Clerk

/fb

- c. Region of Durham
Association of Municipalities of Ontario
Federation of Canadian Municipalities
Durham Region area Members of Parliament and Members of Provincial Parliament
Durham Region Municipalities

To: Council in Committee of the Whole

From: Tracy Adams, Commissioner,
Corporate Services Department

Report Number: CNCL-20-76

Date of Report: May 20, 2020

Date of Meeting: May 25, 2020

Subject: Licensing Payday Loan Establishments

File: D-2200

1.0 Purpose

This report responds to City Council's ("Council") November 4, 2019 direction as follows:

"Whereas the City of Toronto recently approved regulatory changes required to prohibit the issuance of new business licenses to payday loan outlets; and,

Whereas there are concerns that the payday loan establishments are 'predatory' and take advantage of low-income residents who do not have access to credit and become trapped in debt cycles as a result of payday loan exorbitant fees;

Therefore be it resolved that staff be directed to undertake municipal benchmarking, review licensing options available and report back to the Corporate Services Committee with the results of the review."

This report presents information on municipal benchmarking and seeks direction from Council regarding the recommended option.

Attachment 1 is a copy of the Ministry of Government and Consumer Services Payday Loan Poster.

Attachment 2 is a copy of the City's response to the 2016 correspondence received from the City of Ottawa.

Attachment 3 is a copy of the Provincial guide for payday lenders.

Attachment 4 is a copy of the Provincial information for borrowers.

Attachment 5 is information on municipal benchmarking.

2.0 Recommendation

It is recommended to City Council:

1. That in accordance with Section 5.6.2 of Report CNCL-20-76, "Licensing Payday Loan Establishments", dated May 20, 2020, the Licensing By-law 120-2005, as amended, and General Fees and Charges By-law 13-2003, as amended, be further amended to:

- establish a licensing system for payday loan establishments as generally set out in Section 5.6 of the Report
- restrict the number of payday loan establishments to 2 per ward to a maximum of 10 in the City
- prohibit new payday loan establishments in the Downtown Urban Growth Centre as defined in the Oshawa Official Plan
- establish a minimum 150m setback from other payday loan establishments and elementary and secondary schools
- include appropriate grandfather provisions for existing establishments

and that such an amending by-law be passed in a form and content acceptable to the Commissioner of Corporate Services and Legal Services; and,

2. That the notice provisions of By-law 147-2007 be waived in connection with the introduction of the licensing system for payday loan establishments and associated fees; and,
3. That Council requests the Province of Ontario to limit the annual interest rates to a reasonable amount for all payday loans; and,
4. That Council requests the Federal Government to:
- Require chartered banks and credit unions to have branches in low-income neighbourhoods which offer credit lines to low-income people at the same rates they offer to other customers;
 - Work with partners such as credit unions and chartered banks, to encourage and steward the development of lower-cost financial products that can provide an alternative for users of payday loan establishments; and,
5. That this report and resolution be forwarded to Prime Minister Trudeau, Premier Ford, local Oshawa MP's and MPP's, the Region of Durham, all Durham municipalities, the Federation of Canadian Municipalities and the Association of Municipalities of Ontario.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

The following were consulted in the preparation of this report:

- Legal Services
- Planning Services
- Ministry of Government and Consumer Services Consumer Services Operations Division – Licensing Unit
- Municipalities: Ajax, Barrie, Chatham-Kent, Clarington, Hamilton, Kitchener, London, Ottawa, Pickering, Sarnia, Toronto, Whitby

The following works are cited in the Literature Review in Section 5.2:

- Bond, Sabrina. “Filling the Gap. Canada’s Payday Lenders.” The Conference Board of Canada. November 2016, https://www.conferenceboard.ca/temp/313ab0b2-5e4c-45c7-89fa-55e381443eed/8369_Filling-the-Gap_RPT.pdf
- Buckland, Jerry. “Payday Lending: A Mature Industry with Chronic Challenges.” March 14, 2016, http://www.pubmanitoba.ca/v1/payday_loan_review2016/cac_4_tab_2_literature_review_j_buckland.pdf
- Dijkema, Brian. “New Powers, New Responsibilities: A Guide for Municipalities on Payday Loan Regulation.” Cardus. April 9, 2018, <https://www.cardus.ca/research/work-economics/reports/new-powers-new-responsibilities-a-guide-for-municipalities-on-payday-loan-regulation/>
- Dijkema, Brian. “The Changing Face of Payday Lending in Canada.” Cardus, June 26, 2019, <https://www.cardus.ca/research/work-economics/reports/the-changing-face-of-payday-lending-in-canada/>.
- Marsh, Sarah, Dildar, Yasir, and Janzen, Rich. “Payday Lending: In Search of a Local Alternative.” Wellesley Institute. March 2010, https://www.wellesleyinstitute.com/wp-content/uploads/2010/05/Payday_loan_final_report.pdf
- Stegman, Michael. “Payday Lending.” Journal of Economic Perspectives. 2007, <https://www.aeaweb.org/articles?id=10.1257/jep.21.1.169>

5.0 Analysis

5.1 Background

This report responds to the Council's November 4, 2019 direction (CORP-19-90) as follows:

"Whereas the City of Toronto recently approved regulatory changes required to prohibit the issuance of new business licenses to payday loan outlets; and,

Whereas there are concerns that the payday loan establishments are 'predatory' and take advantage of low-income residents who do not have access to credit and become trapped in debt cycles as a result of payday loan exorbitant fees;

Therefore be it resolved that staff be directed to undertake municipal benchmarking, review licensing options available and report back to the Corporate Services Committee with the results of the review."

A payday loan is typically described as a small value, unsecured loan taken out for a short time, typically until the client's next payday, which is obtained at a retail store or online. Payday loans are understood to be the most expensive form of consumer loan in Ontario (see **Attachment 1**). These businesses may also offer cheque cashing and provide other services that traditional financial institutions may not. Payday loan establishments may operate through a physical storefront or online website.

Concerns have been raised that payday loan establishments may negatively impact low-income residents who have limited access to financial services. This concern is unsurprising, given that studies have shown that payday loan clients typically have annual household incomes under \$50,000 (Marsh et al. 12). The City of Oshawa ("City") has identified concerns regarding underserved areas of the City and financial services in both the Oshawa Community Needs Assessment and the Wentworth Street West Community Improvement Plan. The Oshawa Community Needs Assessment has identified a need to improve ongoing access to formal financial institutions, especially in Priority Neighbourhoods and the Wentworth Street West Community Improvement Plan seeks to encourage the establishment of a full service financial institution in the Wentworth Street West area.

At its May 24, 2016 meeting, Council received correspondence from the City of Ottawa requesting the City of Oshawa endorse a resolution requesting the Province amend the Municipal Act, 2001, S.O. 2001, c. 25 ("Municipal Act, 2001"), to permit Ontario municipalities to enact licensing by-laws for payday loan establishments that could limit such establishments by location and number (**Attachment 2**). The resolution was endorsed and shared with additional stakeholders. The Municipal Act, 2001 was subsequently amended in 2017, as outlined in Section 5.3 of this Report.

5.2 Literature Review: Benefits and Detractors of Payday Loan Establishments

Payday loan establishments are thought by some to be predatory in nature posing a threat to consumers due, in part, to the high cost of borrowing. An example of this concern is depicted in the Ministry of Government and Consumer Services' poster and handout (**Attachment 1**) which is required to be displayed/provided at all payday loan businesses. Notwithstanding this, they have also been regarded as providing a necessary service to members of the community who may have limited financial services options.

A report by the Conference Board of Canada stated that payday loans can enhance the welfare and productive capacity of informed consumers, leading to improved financial management with labour force participation and better family health outcomes (Bond 42). Obtaining a payday loan may be a better alternative than accumulating nonsufficient funds fees, fees levied by companies for missed bill payments or utility disconnection/reconnection fees (Dijkema, "New Powers" 5). According to some studies, many payday loan users choose payday loans as a tool to meet basic necessities (Dijkema, "New Powers" 5). In fact, one study found that municipal restrictions on the number of payday loan businesses had a negative effect on some consumers in that restrictions created an oligopoly for small-dollar loans with existing locations having an almost permanent, government-protected and enforced oligopoly on the service, limiting available credit options for certain consumers (Dijkema, "Changing Face" 8).

In contrast, some sources state that this form of loan has a high cost and a cyclical nature for users (Buckland 16; Marsh et al. 6). Others claim that the costs of payday loans do not just affect the individual household, but extend into the community. One report contends that payday lending is correlated with violence, property crime, increased need of social assistance, and increased premature mortality (Dijkema, "New Powers" 4). Another found that more restrictive regulations resulted in jurisdictions with fewer payday loan businesses and that would-be borrowers did not substitute new methods of obtaining short-term access to funds, instead employing other financial management strategies such as limiting spending (Buckland 27).

Though clustering prevention controls may decrease customer convenience and make it more challenging for lenders to find prime locations, they may not cause the benefits desired, as those who borrow regularly often use more than one lender at a time in order to pay others back (Stegman 175). Furthermore, anti-clustering attempts may "discourage price competition among payday lenders" (Stegman 175).

5.3 Existing Regulatory Framework

Federal:

The Criminal Code of Canada, R.S.C. 1985, c. C-46 ("Criminal Code") defines "payday loan" as "an advancement of money in exchange for a post-dated cheque, a pre-authorized debit or a future payment of a similar nature but not for any guarantee, suretyship, overdraft protection or security on property and not through a margin loan, pawnbroking, a line of credit or a credit card."

Section 347.1(3) of the Criminal Code permits payday loans subject to the existence of sufficient provincial regulation and protection for recipients of payday loans, including limits on the total cost of borrowing.

Provincial:

Payday loan establishments are regulated through the Payday Loans Act, 2008, S.O. 2008, c. 9 (“Payday Loans Act, 2008”) and must be licensed by the Province of Ontario. The Payday Loans Act, 2008 defines “Payday Loan” as “an advancement of money in exchange for a post-dated cheque, a pre-authorized debit or a future payment of a similar nature but not for any guarantee, suretyship, overdraft protection or security on property and not through a margin loan, pawnbroking, a line of credit or a credit card”. A “Lender” is a person or thing “that makes a payday loan to a borrower or holds oneself out as available to make such a loan”.

Under the Payday Loans Act, 2008:

- a person cannot be charged more than \$15 for every \$100 borrowed
- a person cannot be sold or offered any goods or services in connection with the payday loan
- a person has two (2) business days to cancel a contract for a payday loan without any penalty (e.g. without paying a fee) and without having to give a reason
- “rollover” loans are not allowed (e.g. a person cannot roll what they owe on a payday loan into a second payday loan), as people are prohibited from getting another payday loan from the same lender before paying their first loan in full.

Payday lenders must:

- Be licensed with the Government of Ontario
- Include specific information of the first page of their contracts (e.g. the amount being borrowed, length of loan and cost of the loan)
- Not ask for or accept payment by automatic deduction from your paycheck

Additional regulations relate to things such as:

- What a lender can/cannot do if a customer fails to meet the terms of their loan agreement
- Educating customers about the cost of loans

A provincial guide for payday lenders has been appended as **Attachment 3**. Provincial information for borrowers has been appended as **Attachment 4**.

Municipal:

The Municipal Act, 2001 permits municipalities to license payday loan establishments. The Municipal Act, 2001 was recently amended by the Putting Consumers First Act (Consumer Protection Statute Law Amendment), 2017, S.O. 2017, c. 5 – Bill 59, to permit municipalities to define the area of the municipality in which a payday loan establishment may or may not operate and limit the number of payday loan establishments in any defined area in which they are permitted. It also stipulates that municipalities shall not prohibit the operation of all payday loan establishments in the municipality.

There are currently land-use controls established in the City's Zoning By-law 69-94, as amended ("Zoning By-law"); they are as follows:

- Zoning regulations related to "Financial Institutions"
 - "Financial Institution" means an establishment which provides money management services directly to the public, including a bank, trust company, credit union, securities firm, finance company, mortgage brokerage or any other similar use
- Set back distances in the Central Business District (Section 16.4)
 - "No **payday loan business**, tattoo parlour or pawn shop shall be located closer than 50m to another lot occupied by a payday loan business, tattoo parlour or pawn shop"

5.4 Municipal Benchmarking

Some municipalities have chosen to regulate payday loan establishments through zoning by-laws and/or business licensing by-laws. Some zoning by-laws establish minimum set back requirements between payday loan establishments and other land uses (e.g. gaming institutions, other payday loan establishments, etc.), and limiting zones where the use is permitted, among other restrictions. Business licensing by-laws may involve zoning by-law compliance checks, restrictions on the number of licences issued, setback requirements, and the required provision of information on consumer protection resources, among other requirements. The results of municipal benchmarking have been appended as **Attachment 5**.

5.5 Current Payday Loan Establishments in the City Of Oshawa

A search of a provincial database on March 25, 2020, identified eighteen (18) payday loan establishments licensed to operate in the City. The identified establishments are listed in Table 1 below.

Table 1 Provincially Licensed Local Payday Loan Establishments

Name	Ward	Location
Money Mart	1	300 Taunton Rd E
Cash 4 You	2	1208 Simcoe St N
Cash Money	2	1180 Simcoe St N Unit 7
Money Mart	2	1053 Simcoe St N
Cash 4 You	4	333 King St W Unit B
Cash 4 You	4	64 Simcoe St N
Cash Express	4	378 King St W Unit 102
Cash King	4	282 King St W Unit 1
Cash Money	4	346 King St W
CashMax	4	1 Warren Ave Unit 105
Money Mart	4	16 Simcoe St N
Money Mart	4	428 King St W
Oshawa Payday Loans	4	204 King St E
Pay2Day	4	420 King St W Unit 2
Payday Loan Direct	4	129 King St E 2
Pay2Day	4	420 King St W Unit 102
Cash Money	5	576 Ritson Rd S
Money Mart	5	301 Wentworth St W

5.6 Regulatory Recommendation: Limit the Number and Location of Payday Loan Establishments and Establish a 150 metre Set Back

Following staff's review of the issue, limiting the number of payday loan establishments in the City and establish a 150 metre set back between other payday loan establishments and certain schools is recommended for Council's consideration:

The number of payday loan establishments would be restricted to two (2) per ward with an overall total of ten (10) in the City subject to the following:

- There would be **no additional licences issued** for locations in wards that do not currently have up to two payday loan locations (e.g. Wards 1 and 3) until the overall number in the City is below ten (10) as appropriate;
- Existing payday loan establishments that obtain a licence would be allowed to continue in their current location, regardless of the per ward limit (e.g. grandfathering);
- Should a payday loan establishment cease to operate, no future licence would be issued in its place if the ward and City-wide capacity is already reached; and,

- Furthermore, existing payday loan establishments would not be permitted to transfer a licence to a new location. In these instances, a new licence would be required and the approval would be subject to compliance with the ward and City-wide licence caps.

The aforementioned approach would encourage the elimination of the current “clustering” of like-businesses with the intent of reducing the number of payday loan establishments in the City over time. Limiting the number of payday loan establishments on a per ward basis may contribute to the City’s poverty reduction goals by helping prevent an oversaturated payday loan market in the City and limiting the number of businesses that provide access to high cost loans.

With this in mind, it is important to note that the online availability of payday loans would be a limitation to the success of a municipal licensing system in enhancing protections for customers of payday loan establishments.

Payday Loan Business Establishment Licensing Requirements and Fees

Applicants for a payday loan establishment business licence would be required to:

- Submit proof of a valid provincial payday lender licence
- Submit proof of applicable insurance
- Receive zoning approval
- Agree to provincial requirements for posters and educational material
- Confirm that they advertise credit-counselling services

In order to assist with cost recovery, the proposed cost of a licence would be \$225 (consisting of a \$150 licensing fee and a \$75 application fee).

Set back requirements would be introduced to the Licensing By-law as required to prohibit a payday loan establishments from operating within 150 metres (492 feet) of another payday loan establishment or schools including public, separate, private elementary and secondary and Montessori schools. In addition, the new payday loan establishments would not be permitted in the Downtown Urban Growth Centre and existing payday loan establishments in this area could not transfer to another location in the area.

Recommendations to the Provincial and Federal Governments: Additional Measures

In addition to the introduction of a new business licence, it is also recommended that the City urge the provincial and federal governments take additional measures regarding financial services and low-income neighbourhoods by requesting:

- That the Province of Ontario limit the annual interest rates for all payday loans to reasonable rates; and,
- That the Federal Government:
 - Require chartered banks and credit unions to have branches in low-income neighbourhoods which offer credit lines to low-income people at the same rates they offer to other customers; and,

- Work with partners such as credit unions and chartered banks, to encourage and steward the development of lower-cost financial products that can provide an alternative for users of payday loan establishments.

This is consistent with the City's initiatives through the Wentworth Street West Community Improvement Plan and the Oshawa Community Needs Assessment, as discussed in Section 5.1 of this Report, to improve access to full service financial institutions in low-income neighbourhoods where there are financial deserts. It also addresses the intent of the Poverty, Reduction Approach approved by Council on April 27, 2020 and the proposed 2020-2023 Oshawa Strategic Plan by addressing economic disparity and poverty matters in our community.

6.0 Financial Implications

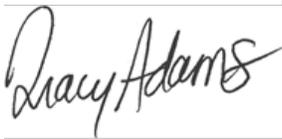
There are no financial implications associated with the recommendation in this report. The costs associated with administering the recommendation would be recovered through licensing fees.

7.0 Relationship to the Oshawa Strategic Plan

The recommendation in this report respond to the Oshawa Strategic Plan Goal of Accountable Leadership.



Brenda Jeffs, Director,
Municipal Law Enforcement and Licensing Services



Tracy Adams, Commissioner,
Corporate Services Department

Attachments

Ministry of Government and Consumer Services Poster

Note: All payday loan businesses in Ontario must display the Ministry of Government and Consumer Services' ("Ministry") Poster (Figure 1) and provide the Ministry's handout (Figure 2)

Figure 1 Ministry Poster

Ministry of Government and Consumer Services

How much will **\$300** cost you for two weeks?

If you borrow:	Payday loan <small>(Assuming cost of borrowing is \$15 per \$100)*</small>	Credit card <small>(Assuming a daily interest rate at 23% APR and a service fee of \$3.50 for a cash advance)</small>
One loan	\$45	\$6.15
Two loans	\$90	\$12.29
Four loans	\$180	\$24.59
Six loans	\$270	\$36.88

Complaint? Concern? Please call:
 Ministry of Government and Consumer Services at
 (416) 326-8800 or 1-800-889-9768 | TTY 416-229-6066 or 1-877-666-6545

Learn more about your consumer rights:
ontario.ca/Consumer

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* In Ontario, the maximum allowable cost of borrowing is \$15 per \$100 borrowed (including all fees and charges).

Figure 2 Ministry Handout

Ministry of Government and Consumer Services

How much will **\$300** cost you for **two weeks**?

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Ontario 

File: F-4200

May 31, 2016

DELIVERED BY E-MAIL

(Jim.Watson@ottawa.ca)

Jim Watson
Office of the Mayor
City of Ottawa

Re: Licensing of Payday Loan Establishments

This is in response to your correspondence dated April 21, 2016 to the Premier of Ontario concerning the above-referenced matter.

Oshawa City Council considered the above matter at its meeting of May 24, 2016 and adopted the following resolution:

“That Oshawa City Council endorse the following resolution from the City of Ottawa:

Whereas the interest and fees charged on a loan from a payday loan establishment can exceed by several times the amount of the loan; and,

Whereas there is a clustering of payday loan establishments in areas where financially vulnerable persons reside; and,

Whereas Section 10 of the Municipal Act, 2001 permits the City to enact by-laws respecting: the economic, social and environmental well-being of the municipality; the health, safety and well-being of persons; and the protection of persons and property, including consumer protection; and,

Whereas Sections 10 and 151 of the Municipal Act, 2001 also permits a municipality to license businesses within the municipality; and,

Whereas the City of Hamilton, on February 24, 2016, enacted a licensing by-law amendment in respect of payday loan establishments; and,

Whereas the Municipal Act, 2001 does not permit, other than in respect of adult entertainment establishments, a municipality through licensing to restrict the location or number of the establishments of such business;

Therefore be it resolved that City Council:

1. a) Direct By-law and Regulatory Services to bring a report to the Community and Protective Services Committee and Council recommending an amendment to the Licensing By-law to require that payday loan establishments be subject to licensing by the end of the first quarter of 2017; and,
- b) Direct staff to consult with all stakeholders prior to the submission of such report and reflect the results of these consultations in the report; and,
2. Request that the Provincial government bring forward an amendment to the Municipal Act, 2001 that would permit municipalities to enact a licensing by-law for payday loan establishments that could limit such establishments by location and number; and,

Be it further resolved that this motion be circulated to the Federation of Canadian Municipalities, the Association of Municipalities of Ontario, the Large Urban Mayors' Caucus of Ontario, the Big City Mayors' Caucus, the Council of the Region of Durham, and Durham Region Members of Provincial Parliament."

By copy of this letter, I am advising the parties named in the above resolution of Oshawa Council's decision.

If you need further assistance please contact me at the address listed below or by telephone at 905-436-3311.

Sandra Kranc
City Clerk

/kb

copies:

Federation of Canadian Municipalities
Association of Municipalities of Ontario
Large Urban Mayors' Caucus of Ontario
Big City Mayors' Caucus
Joe Dickson, M.P.P., Ajax-Pickering
Tracy MacCharles, M.P.P., Pickering-Scarborough East
Granville Anderson, M.P.P., Durham
Jennifer French, M.P.P., Oshawa
Lorne Coe, M.P.P., Whitby-Oshawa
Laurie Scott, M.P.P., Haliburton/Kawartha Lakes/Brock
Council of the Region of Durham



A guide for payday lenders

Learn about the rules for running a payday loan business.

Overview

In Ontario, the *Payday Loans Act, 2008* (<https://www.ontario.ca/laws/statute/08p09>) is the main law governing payday loans. The *General Regulation* (<https://www.ontario.ca/laws/regulation/090098>) and *Administrative Penalties* (<https://www.ontario.ca/laws/regulation/090209>) Regulation contain additional rules.

This guide explains many of the rules you must follow as a payday lender. You must comply with **all** of the requirements in the act and the regulations — not just the ones summarized in this guide.

If you do not comply with all of the requirements, you could lose your licence or face other enforcement action. Learn more about [compliance and enforcement](#).

Payday loan agreements

A payday loan agreement defines the rights and obligations of both the lender and the borrower. It also includes important information for borrowers.

Content of the agreement

You must make sure that all payday loan agreements include the information set out in [section 18 of the General Regulation](#) (<https://www.ontario.ca/laws/regulation/090098#BK25>). For example, you must include:

- information about borrowers' rights
- a table on the first page of the agreement that provides cost of borrowing information
- the cost of borrowing expressed as an annual percentage rate (APR)

The information must be clear, understandable and easy to see.

Refer to sections [29](#) (<https://www.ontario.ca/laws/statute/08p09#BK33>) and [37](#) (<https://www.ontario.ca/laws/statute/08p09#BK42>) of the *Payday Loans Act, 2008* and section [18](#) (<https://www.ontario.ca/laws/regulation/090098#BK25>) of the *General Regulation* for more information about payday loan agreements.

Restrictions on agreements

As a payday lender, you **cannot**:

- **charge more than \$15 per \$100 borrowed, including all fees and charges directly or indirectly connected to the payday loan agreement**
- offer or provide (including on behalf of someone else) any additional goods or services in connection with the payday loan agreement, such as insurance
- enter into a payday loan agreement if the advance is more than 50 per cent of the borrower's net income per loan
- enter into a payday loan agreement that ends before the borrower is next scheduled to receive income (in most cases, this is the date of the borrower's next paycheque)
- extend a loan agreement past the original termination date
- enter into a new payday loan with a borrower who has an outstanding payday loan balance with you — this means **rollover loans are prohibited**
- use the information in an application for a payday loan, any documentation relating to a payday loan application or the payday loan agreement itself for any purposes other than providing a payday loan

Refer to sections [32 \(https://www.ontario.ca/laws/statute/08p09#BK36\)](https://www.ontario.ca/laws/statute/08p09#BK36), [35 \(https://www.ontario.ca/laws/statute/08p09#BK39\)](https://www.ontario.ca/laws/statute/08p09#BK39) and [36 \(https://www.ontario.ca/laws/statute/08p09#BK40\)](https://www.ontario.ca/laws/statute/08p09#BK40) of the *Payday Loans Act, 2008* and sections [16.2 \(https://www.ontario.ca/laws/regulation/090098#BK23\)](https://www.ontario.ca/laws/regulation/090098#BK23), [17 \(https://www.ontario.ca/laws/regulation/090098#BK24\)](https://www.ontario.ca/laws/regulation/090098#BK24), [23 \(https://www.ontario.ca/laws/regulation/090098#BK30\)](https://www.ontario.ca/laws/regulation/090098#BK30), [27 \(https://www.ontario.ca/laws/regulation/090098#BK36\)](https://www.ontario.ca/laws/regulation/090098#BK36) and [34 \(https://www.ontario.ca/laws/regulation/090098#BK44\)](https://www.ontario.ca/laws/regulation/090098#BK44) of the General Regulation for more information about restrictions on payday loan agreements.

Copy of the agreement

When you enter into a payday loan agreement with a borrower, you must immediately give them a copy of that agreement.

If the borrower requests an extra copy at any time up to a year after the loan agreement ends, you must give it to them:

- for free the first time they request it
- within the first day of receiving the request or the next day that you are open for business

Refer to section [29 \(https://www.ontario.ca/laws/statute/08p09#BK33\)](https://www.ontario.ca/laws/statute/08p09#BK33) of the *Payday Loans Act, 2008* and section [20 \(https://www.ontario.ca/laws/regulation/090098#BK27\)](https://www.ontario.ca/laws/regulation/090098#BK27) of the General Regulation for more information about providing a copy of the agreement.

Instalment payments

If you enter into three or more payday loan agreements with a borrower within a 63-day period, the third agreement (and any subsequent agreements) must provide for an extended payment plan (instalment payments). You must also follow these rules:

- instalment payments must be spread equally over a minimum number of the borrower's pay periods
- instalment payments must not exceed the amount specified in [section 25.1 of the General Regulation \(https://www.ontario.ca/laws/regulation/090098#BK33\)](https://www.ontario.ca/laws/regulation/090098#BK33)
- if a borrower makes a prepayment, you must:
 - adjust all future scheduled instalments and spread them equally over the remaining term of the agreement
 - give the borrower an updated agreement in writing
- the cost of borrowing, when converted to an annual percentage rate, must be less than the criminal rate of interest as defined in the [Criminal Code \(https://laws-lois.justice.gc.ca/eng/acts/c-46/\)](https://laws-lois.justice.gc.ca/eng/acts/c-46/) of Canada (60 per cent), which is calculated differently than the annual percentage rate

Refer to section [25.1 of the General Regulation \(https://www.ontario.ca/laws/regulation/090098#BK33\)](https://www.ontario.ca/laws/regulation/090098#BK33) for more information about instalment payments.

Providing the advance

Before entering into a payday loan agreement, you must:

- tell the borrower about all their options for receiving the loan advance from you (for example, in cash or applied to a debit card)
- provide them with the loan advance in the option they choose

Contacting the borrower's employer

If a borrower consents, you may contact their employer (or employees of that employer) before the borrower enters a payday loan agreement. The contact must be only to confirm the borrower's employment, length of employment, employment income, occupation or business address.

Refer to sections [16.1 \(https://www.ontario.ca/laws/regulation/090098#BK22\)](https://www.ontario.ca/laws/regulation/090098#BK22) and [26 \(https://www.ontario.ca/laws/regulation/090098#BK35\)](https://www.ontario.ca/laws/regulation/090098#BK35) of the General Regulation for more information about providing the advance and contacting the borrower's employer.

Once you enter into an agreement

You must provide the loan advance to borrowers immediately after they enter into the payday loan agreement.

For remote payday loan agreements, such as online loans, you have one hour to make the loan advance accessible to the borrower. Learn more about the [rules for remote payday lenders](#).

If you provide all or part of the loan advance in a form other than cash (for example, the loan advance is applied to a debit card) you must tell borrowers they can:

- immediately receive the loan advance or the outstanding balance in cash and at no charge, if they request it
- make their request for cash verbally or in any other way

If you do not follow these rules, a borrower is only required to repay the loan advance and does not have to pay the cost of borrowing.

Refer to [section 29 \(https://www.ontario.ca/laws/statute/08p09#BK33\)](https://www.ontario.ca/laws/statute/08p09#BK33) of the *Payday Loans Act, 2008* and sections [21 \(https://www.ontario.ca/laws/regulation/090098#BK28\)](https://www.ontario.ca/laws/regulation/090098#BK28) and [22 \(https://www.ontario.ca/laws/regulation/090098#BK29\)](https://www.ontario.ca/laws/regulation/090098#BK29) of the General Regulation for more information about the requirements after you enter payday loan agreements.

Obtaining payment

You must accept payment from a borrower, whether a full payment or partial payment:

- at any time, if they are making payment by one of the methods allowed in the agreement
- without prepayment charge or penalty

No repeat processing charges

You cannot try to process the same payment more than once (such as a pre-authorized debit) if additional attempts will result in the borrower having to pay fees, such as non-sufficient funds (NSF) fees or other charges.

If you attempt to withdraw funds from a borrower's account more than once and the borrower is charged NSF or other fees:

- the borrower is not required to repay the cost of borrowing
- you can be required to pay for any NSF or other fees (after the first attempt)

This rule applies even if you are unaware of any fees payable by the borrower.

Refer to section [31 \(https://www.ontario.ca/laws/regulation/090098#BK41\)](https://www.ontario.ca/laws/regulation/090098#BK41) of the General Regulation for more information about obtaining payments from borrowers.

General restrictions on charges

As a payday lender, you **cannot**:

- impose any default charges on the borrower, except for:
 - reasonable legal costs you incur in collecting the payday loan
 - reasonable costs you incur because the borrower's cheque or pre-authorized debit cannot be processed
- request, require or accept payment that is taken directly from a borrower's paycheque (also known as an assignment of wages)
- request or require payment of any part of the cost of borrowing or the loan advance before the end date specified in the agreement — this includes processing any cheques or pre-authorized debits
 - certain exceptions apply for payday loan agreements with extended payment plans (see [section 25.1 of the General Regulation \(https://www.ontario.ca/laws/regulation/090098#BK33\)](https://www.ontario.ca/laws/regulation/090098#BK33) for more information)

Refer to sections [31 \(https://www.ontario.ca/laws/statute/08p09#BK35\)](https://www.ontario.ca/laws/statute/08p09#BK35), [33 \(https://www.ontario.ca/laws/statute/08p09#BK37\)](https://www.ontario.ca/laws/statute/08p09#BK37) and [34 \(https://www.ontario.ca/laws/statute/08p09#BK38\)](https://www.ontario.ca/laws/statute/08p09#BK38) of the *Payday Loans Act, 2008* and sections [28 \(https://www.ontario.ca/laws/regulation/090098#BK37\)](https://www.ontario.ca/laws/regulation/090098#BK37) and [30.1 \(https://www.ontario.ca/laws/regulation/090098#BK40\)](https://www.ontario.ca/laws/regulation/090098#BK40) of the General Regulation for more information about restrictions on charges.

Contact with borrowers and other persons

The General Regulation contains rules about who you can contact when trying to collect an amount owing under a payday loan agreement. These rules help protect borrowers and their privacy.

As a payday lender you **cannot**:

- collect or attempt to collect from a person who is not the borrower. If the person you contact informs you that they are not the borrower, you must stop contacting them unless you took all reasonable steps to make sure that the person you contacted is the borrower
- contact or attempt to contact the borrower's spouse, family or household members, relative, friend, neighbour or acquaintance, about the borrower's payday loan

The General Regulation also contains rules on how you conduct yourself when contacting a borrower, whether that contact is to collect an outstanding amount or for any other reason:

- telephone calls are restricted to certain times of the day and are not allowed on holidays
- borrowers cannot be contacted more than three times in a seven-day period
- you cannot publish or threaten to publish the borrower's failure to pay
- you cannot use threatening, profane, intimidating or coercive language
- you cannot use undue, excessive or unreasonable pressure
- you cannot communicate or attempt to communicate in a way that results in charges to the borrower (for example, long distance charges)
- you cannot communicate in a manner or with a frequency that can be considered harassment

Refer to sections [26 \(https://www.ontario.ca/laws/regulation/090098#BK35\)](https://www.ontario.ca/laws/regulation/090098#BK35) and [32 \(https://www.ontario.ca/laws/regulation/090098#BK42\)](https://www.ontario.ca/laws/regulation/090098#BK42) of the General Regulation for more information about prohibited practices.

Forfeit of cost of borrowing

As a payday lender, if you do not comply with certain rules, a borrower can refuse to pay you the cost of borrowing or demand a refund of any payment they made to you (other than the amount of the loan advance). For example, they can do this if you:

- exceed the cost of borrowing of \$15 for each \$100 borrowed
- fail to make the loan advance immediately available, or available within one hour if you are a remote lender
- use an application, documentation or agreement relating to a payday loan for any purposes other than providing a payday loan (such as for providing other goods or services)

- request or require early payment of the loan advance or the cost of borrowing before the end of the term of the payday loan agreement (certain exceptions apply for payday loan agreements with extended payment plans)
- process a cheque, preauthorized debit or any other payment more than once where doing so results in a charge to the borrower
- allow the term of the payday loan agreement to end before the borrower is next scheduled to receive income
- fail to give the borrower a written payday loan agreement or one that contains all the information specified in the act and General Regulation

If the borrower demands a refund of the cost of borrowing on the grounds that you failed to comply with the *Payday Loans Act, 2008*, you must give them the refund within the time limits specified in the General Regulation. Failure to do so is an offence.

Refer to sections 6 (<https://www.ontario.ca/laws/statute/08p09#BK7>), 29 (<https://www.ontario.ca/laws/statute/08p09#BK33>), 31 (<https://www.ontario.ca/laws/statute/08p09#BK35>), 32 (<https://www.ontario.ca/laws/statute/08p09#BK36>), 35 (<https://www.ontario.ca/laws/statute/08p09#BK39>) and 44 (<https://www.ontario.ca/laws/statute/08p09#BK52>) of the *Payday Loans Act, 2008* and sections 16.1 (<https://www.ontario.ca/laws/regulation/090098#BK22>), 18 (<https://www.ontario.ca/laws/regulation/090098#BK25>), 21–24 (<https://www.ontario.ca/laws/regulation/090098#BK28>), 27 (<https://www.ontario.ca/laws/regulation/090098#BK36>), 28 (<https://www.ontario.ca/laws/regulation/090098#BK37>), 30–31 (<https://www.ontario.ca/laws/regulation/090098#BK39>) and 34 (<https://www.ontario.ca/laws/regulation/090098#BK44>) of the General Regulation for more information about when a borrower can refuse to pay you the cost of borrowing.

Posters and educational material

Cost of borrowing poster

You must display a poster outlining the cost of borrowing in English at each of your offices. The poster must:

- be visible to borrowers **immediately when they enter the office**
- include **only** the specific information itemized in [subsection 14\(3\) of the general regulation](https://www.ontario.ca/laws/regulation/090098#BK19) (<https://www.ontario.ca/laws/regulation/090098#BK19>)

Refer to section 14 (<https://www.ontario.ca/laws/regulation/090098#BK19>) of the General Regulation for more rules about the cost of borrowing poster.

Approved educational material

If you borrow:	Payday loan ("Borrowing money for two weeks")	Credit card ("Assuming a 20% interest rate at 20%, 19% and a service fee of \$2.00 for a cash advance")
One loan	\$45	\$6.15
Two loans	\$90	\$12.59
Four loans	\$180	\$24.59
Six loans	\$270	\$36.59

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Learn more about your consumer rights:
info.ontario.ca/Consumer

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distributed by educational or non-commercial entities.
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*The interest on a cash advance is 20% per \$100 borrowed (including all fees and charges).

Ontario

You must also display the Registrar-approved [educational poster \(https://files.ontario.ca/mgcs-payday-loan-cost-of-borrowing-poster-en-2019-07-03.pdf\)](https://files.ontario.ca/mgcs-payday-loan-cost-of-borrowing-poster-en-2019-07-03.pdf) and provide the [educational handout \(https://files.ontario.ca/mgcs-payday-loan-cost-of-borrowing-letter-en-2019-07-03.pdf\)](https://files.ontario.ca/mgcs-payday-loan-cost-of-borrowing-letter-en-2019-07-03.pdf) at each of your offices.

The educational poster must be visible immediately to anyone who enters the office, and the handout must be provided to anyone interested in a payday loan.

The handout must be at least standard letter size – 8.5 inches x 11 inches.

Download the educational materials

- [poster \(https://files.ontario.ca/mgcs-payday-loan-cost-of-borrowing-poster-en-2019-07-03.pdf\)](https://files.ontario.ca/mgcs-payday-loan-cost-of-borrowing-poster-en-2019-07-03.pdf)
- [handout \(https://files.ontario.ca/mgcs-payday-loan-cost-of-borrowing-letter-en-2019-07-03.pdf\)](https://files.ontario.ca/mgcs-payday-loan-cost-of-borrowing-letter-en-2019-07-03.pdf)

Refer to [section 5 \(https://www.ontario.ca/laws/regulation/090098#BK8\)](https://www.ontario.ca/laws/regulation/090098#BK8) of the General Regulation for more information about Registrar-approved educational material.

Calculate the cost of borrowing as an annual percentage rate (APR)

You must show the cost of borrowing expressed as an annual percentage rate (APR) in all payday loan agreements, cost of borrowing posters and advertisements. The APR illustrates what the annual rate would be, if actually charged to a borrower for a payday loan.

Use this formula to calculate the cost of borrowing as an APR for a payday loan:

$$\text{APR} = [C \div (T \times A)] \times 100$$

Where,

C = Total cost of borrowing for the payday loan

T = Term of the payday loan agreement, in years

A = Principal amount loaned to the borrower under the payday loan agreement (excludes the cost of borrowing)

Sample APR calculation

Example

You are providing a payday loan of \$500 to a borrower. The maximum cost of borrowing that you can charge is \$15 per \$100 borrowed. Let's assume that the borrower will repay the payday loan, including the total cost of borrowing (\$575), on their next pay date in 2 weeks (14 days). What is the cost of borrowing expressed as an APR for this payday loan?

Step 1

Identify each of the variables in the formula $APR = [C \div (T \times A)] \times 100$.

- The principal amount of this payday loan ("A") is \$500
- The total cost of borrowing ("C") for this payday loan is \$75 (or \$15 per \$100 borrowed)

$(\$500 \div \$100 = 5. \$15 \times 5 = \$75)$

- The term of this agreement in years ("T") is 0.0383561

$(14 \text{ day loan period} \div 365 \text{ days in a year} = 0.0383561)$

Step 2

Calculate the APR using the formula above.

$$\begin{aligned} APR &= [C \div (T \times A)] \times 100 \\ &= [\$75 \div (0.0383561 \times \$500)] \times 100 \\ &= [\$75 \div \$19.18] \times 100 \\ &= 391 \text{ per cent} \end{aligned}$$

Step 3

Include the APR in the payday loan agreement.

The cost of borrowing expressed as an APR for this payday loan agreement is 391 per cent.

Refer to sections [14 \(https://www.ontario.ca/laws/regulation/090098#BK19\)](https://www.ontario.ca/laws/regulation/090098#BK19), [15 \(https://www.ontario.ca/laws/regulation/090098#BK20\)](https://www.ontario.ca/laws/regulation/090098#BK20), [18 \(https://www.ontario.ca/laws/regulation/090098#BK25\)](https://www.ontario.ca/laws/regulation/090098#BK25) of the General Regulation and section [55 \(https://www.ontario.ca/laws/regulation/050017#BK108\)](https://www.ontario.ca/laws/regulation/050017#BK108) of Ontario Regulation 17/05 made under the *Consumer Protection Act, 2002* for more information about including the APR in cost of borrowing posters, advertisements and payday loan agreements.

Rules for remote payday lenders

Main requirements

If you offer a remote payday loan (like an online loan or a loan arranged over the phone), you must:

- immediately tell any potential borrowers about the:
 - information contained on the [cost of borrowing poster](#)
 - information on the licence for the main office
 - available [educational material](#) (handout and poster) and immediately provide it upon request
- ensure the borrower can access the agreement online and is able to retain and print it, before entering into the agreement
- ensure that, before the loan advance is delivered, the borrower consents to entering into the loan agreement in a way that allows you to prove the borrower consented
- make the loan advance accessible to the borrower within one hour of entering into the agreement

Additional rules may apply

There are additional rules that apply to remote payday lenders.

Refer to sections [4](https://www.ontario.ca/laws/regulation/090098#BK7) (<https://www.ontario.ca/laws/regulation/090098#BK7>), [5](https://www.ontario.ca/laws/regulation/090098#BK8) (<https://www.ontario.ca/laws/regulation/090098#BK8>), [14](https://www.ontario.ca/laws/regulation/090098#BK19) (<https://www.ontario.ca/laws/regulation/090098#BK19>), [18](https://www.ontario.ca/laws/regulation/090098#BK25) (<https://www.ontario.ca/laws/regulation/090098#BK25>) and [21](https://www.ontario.ca/laws/regulation/090098#BK28) (<https://www.ontario.ca/laws/regulation/090098#BK28>) of the General Regulation for more information about the rules for remote payday lenders.

Apply for or renew a payday lender licence

The *Payday Loans Act, 2008* requires all payday lenders and payday loan brokers to be licensed.

The Registrar issues licences and provides a certificate of licence for each location of the licensed payday lender. A payday lender licence is valid for one year and must be renewed annually.

Refer to [Part II](https://www.ontario.ca/laws/statute/08p09#BK6) (<https://www.ontario.ca/laws/statute/08p09#BK6>) and sections [20-21](https://www.ontario.ca/laws/statute/08p09#BK23) (<https://www.ontario.ca/laws/statute/08p09#BK23>), [24](https://www.ontario.ca/laws/statute/08p09#BK28) (<https://www.ontario.ca/laws/statute/08p09#BK28>) and [25](https://www.ontario.ca/laws/statute/08p09#BK29) (<https://www.ontario.ca/laws/statute/08p09#BK29>) of the *Payday Loans Act, 2008* and sections [4](https://www.ontario.ca/laws/regulation/090098#BK7) (<https://www.ontario.ca/laws/regulation/090098#BK7>), and [9-11](https://www.ontario.ca/laws/regulation/090098#BK13) (<https://www.ontario.ca/laws/regulation/090098#BK13>) of the General Regulation for more information about payday loan lender licences.

Applying for a licence

To get a payday lender licence, you must:

- [complete the application](http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/FormDetail?OpenForm&ACT=RDR&TAB=PROFILE&SRCH=&ENV=WWE&TIT=payday&NO=045-12104E)
(<http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/FormDetail?OpenForm&ACT=RDR&TAB=PROFILE&SRCH=&ENV=WWE&TIT=payday&NO=045-12104E>)
- pay the required fees
- be at least 18 years of age, if applying as an individual
- as a corporation:
 - appoint officers and directors who are at least 18 years of age
 - appoint at least one officer or director who lives in Ontario
- have at least one office that is physically located in Ontario, even if you only offer remote payday loans — please note that a personal residence is **not** considered an office
- have a separate bank account for your business’s payday loan activities

Your certificate of licence

Once you are issued a licence to operate as a payday lender, you must post a certificate of licence in each of your offices so it is immediately visible to anyone who enters.

Renewing your licence

Your licence is valid up to the expiry date and must be renewed before it expires to continue operating as a payday lender.

[Renew your licence](http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/FormDetail?OpenForm&ACT=RDR&TAB=PROFILE&SRCH=&ENV=WWE&TIT=payday&NO=045-12104E) (<http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/FormDetail?OpenForm&ACT=RDR&TAB=PROFILE&SRCH=&ENV=WWE&TIT=payday&NO=045-12104E>)

Renewal conditions

- If the Registrar received your application and renewal fee before the expiration date, your existing licence will continue to be valid until the Registrar approves your renewal application.
- If you don’t pay the application fee by the expiration date, your licence will not be renewed and your business cannot continue to operate. You must submit a new application to get a new licence.

Updating the Registrar

You need to notify the Registrar in writing within five days of any of the following changes to:

- your business address
- for a corporation or partnership:
 - the officers or directors
 - the name and address of the officer or director living in Ontario
- any of the information included in an application for a licence or renewal of a licence
- the bank account required in [subsection 11\(1\) of the General Regulation](https://www.ontario.ca/laws/regulation/090098#BK15)
(<https://www.ontario.ca/laws/regulation/090098#BK15>)

Refer to section [22](https://www.ontario.ca/laws/statute/08p09#BK25) (<https://www.ontario.ca/laws/statute/08p09#BK25>) of the *Payday Loans Act, 2008* and section [8](https://www.ontario.ca/laws/regulation/090098#BK11) (<https://www.ontario.ca/laws/regulation/090098#BK11>) of the General Regulation for more information about updating your information with the Registrar.

Offices, records and advertising

Office location

You can only operate offices and branches at the addresses listed on the licence certificates.

Municipalities have the authority to restrict the location of payday lenders through licensing by-laws. If you operate an office at a location prohibited by municipal by-law, you are in violation of the *Payday Loans Act, 2008* and your licence may be suspended or revoked.

It is your responsibility to make sure you comply with municipal by-laws.

Refer to section [24 \(https://www.ontario.ca/laws/statute/08p09#BK28\)](https://www.ontario.ca/laws/statute/08p09#BK28) of the *Payday Loans Act, 2008* and section [4 \(https://www.ontario.ca/laws/regulation/090098#BK7\)](https://www.ontario.ca/laws/regulation/090098#BK7) of the General Regulation for more information about your office location.

Records

You must maintain all documents and records relating to your payday loan activity, including, but not limited to:

- all payday loan applications
- payday loan agreements
- pre-authorized debits
- payments
- bank account statements

You must keep these documents and records:

- separate from documents and records relating to any other lines of business
- at the office for at least two years from the end of the term of the payday loan agreements to which the documents and records relate

Refer to section [12 \(https://www.ontario.ca/laws/regulation/090098#BK16\)](https://www.ontario.ca/laws/regulation/090098#BK16) of the General Regulation for more information about documents and records.

Bank accounts

You must maintain a separate bank account for your payday loan business, including the receipt and disbursement of funds. You cannot use the account for anything other than payday loan activities.

The account must be:

- opened in Ontario
- registered in your legal name
- in either a:
 - bank or authorized foreign bank (see section 2 of the [Bank Act \(https://laws-lois.justice.gc.ca/eng/acts/b-1.01/\)](https://laws-lois.justice.gc.ca/eng/acts/b-1.01/))

or

- credit union (see the [Credit Unions and Caisses Populaires Act, 1994](https://www.ontario.ca/laws/statute/94c11) (<https://www.ontario.ca/laws/statute/94c11>))

Refer to section [11](https://www.ontario.ca/laws/regulation/090098#BK15) (<https://www.ontario.ca/laws/regulation/090098#BK15>) of the General Regulation for more information about maintaining a payday loan business bank account.

Advertising

If your advertisements about payday loans (both verbal and written) mention the cost of borrowing, the loan amount advanced, the repayment of the loan, or the term of a payday loan agreement, then specific additional information must also be included.

For example, the ads must include the:

- maximum allowable cost of borrowing
- cost of borrowing expressed as an [annual percentage rate](#)

This information must be clear, understandable and prominent, and in a form that allows the borrower to keep it.

Refer to section [37](https://www.ontario.ca/laws/statute/08p09#BK42) (<https://www.ontario.ca/laws/statute/08p09#BK42>) of the *Payday Loans Act, 2008* and section [15](https://www.ontario.ca/laws/regulation/090098#BK20) (<https://www.ontario.ca/laws/regulation/090098#BK20>) of the General Regulation for more information about advertising.

Compliance and enforcement

Complaints

Consumers can submit complaints about payday lenders to the Ministry of Government and Consumer Services.

If a complaint is filed against your business, the ministry may request additional information from you. By law, you must provide the requested information to the ministry.

Learn more about the [consumer complaint process](https://www.ontario.ca/page/consumer-complaints-and-enforcement) (<https://www.ontario.ca/page/consumer-complaints-and-enforcement>).

Inspections

The Registrar under the *Payday Loans Act, 2008*, and anyone designated by the Registrar, can inspect your business to:

- make sure you are complying with the law
- deal with complaints

An inspector is allowed to access all documents, records and other items that are relevant to the inspection, including those in electronic form.

If asked, you must assist the inspector. You **cannot**:

- obstruct an inspector
- withhold, conceal, alter or destroy documents, records or other items relevant to the inspection

After an inspection, the inspector will review their findings with you and explain the next steps you must take.

The inspector may also issue a Notice of Contravention, outlining any contraventions they observed and requesting that you address them within a specified timeframe.

Refer to section [47 \(https://www.ontario.ca/laws/statute/08p09#BK58\)](https://www.ontario.ca/laws/statute/08p09#BK58) of the *Payday Loans Act, 2008* for more information about inspections.

The Registrar's compliance and enforcement powers

In addition to inspections, the Registrar under the *Payday Loans Act, 2008* has additional powers to ensure compliance with the act. For example, the Registrar can:

- request that you provide information about your business (such as copies of letters, forms, payday loan agreements or financial information)
- order you to amend, restrict or stop using materials that are believed to be false, misleading or deceptive
- propose to suspend, revoke or place conditions on your licence
- propose to refuse to issue or renew your licence

If you fail to comply with the *Payday Loans Act, 2008* and the Registrar serves you with a Notice of Proposed Order or a Notice of Proposal:

- you have the right to request a hearing before the [Licence Appeal Tribunal \(https://slasto-tsapno.gov.on.ca/lat-tamp/en/general-service/appeals-applications/\)](https://slasto-tsapno.gov.on.ca/lat-tamp/en/general-service/appeals-applications/)
- the request for a hearing must be made within 15 days of the issuance of the Notice of Proposed Order or Proposal
- if you do not request a hearing, the Order will be issued by the Registrar and become legally binding

In some cases, you do not have a right to a hearing. For example, if you fail to meet basic requirements for a licence (e.g., failing to pay the fee), the Registrar must refuse your application and there is no opportunity to appeal.

If the Registrar proposes to suspend or revoke your licence and the Registrar considers it in the public interest to do so, the Registrar may suspend your licence immediately. (You may appeal the order; however, the order remains in effect until at least 15 days after the Licence Appeal Tribunal receives the written request for a hearing.)

Refer to sections [9-19 \(https://www.ontario.ca/laws/statute/08p09#BK10\)](https://www.ontario.ca/laws/statute/08p09#BK10), [23 \(https://www.ontario.ca/laws/statute/08p09#BK26\)](https://www.ontario.ca/laws/statute/08p09#BK26), [46 \(https://www.ontario.ca/laws/statute/08p09#BK56\)](https://www.ontario.ca/laws/statute/08p09#BK56), [47 \(https://www.ontario.ca/laws/statute/08p09#BK58\)](https://www.ontario.ca/laws/statute/08p09#BK58), [47.1 \(https://www.ontario.ca/laws/statute/08p09#BK58\)](https://www.ontario.ca/laws/statute/08p09#BK58) and [53 \(https://www.ontario.ca/laws/statute/08p09#BK59\)](https://www.ontario.ca/laws/statute/08p09#BK59)

<https://www.ontario.ca/laws/statute/08p09#BK65>) of the *Payday Loans Act, 2008* and section [13 \(https://www.ontario.ca/laws/regulation/090098#BK17\)](https://www.ontario.ca/laws/regulation/090098#BK17) of the General Regulation for more information about the Registrar's powers.

Administrative penalties

You may be ordered to pay administrative penalties of up to **\$3,000 in respect of certain contraventions**, including:

- failing to post the cost of borrowing poster or your certificate of licence (see [posted signs and educational material](#))
- failing to include certain information in your payday loan agreement (see [payday loan agreements](#) and [providing the advance](#))
- accepting an assignment of wages from a borrower (see [general restrictions on charges](#))

If an administrative penalty is imposed, you have the right to appeal. This must be done by filing a [notice of appeal \(http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/MinistryDetail?OpenForm&ACT=RDR&TAB=PROFILE&ENV=WWE&NO=045-12106E\)](http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/MinistryDetail?OpenForm&ACT=RDR&TAB=PROFILE&ENV=WWE&NO=045-12106E) with the ministry within 15 days after you receive the Order of Administrative Penalty.

Refer to sections [59-62 \(https://www.ontario.ca/laws/statute/08p09#BK71\)](https://www.ontario.ca/laws/statute/08p09#BK71) of the *Payday Loans Act, 2008*, sections [35 \(https://www.ontario.ca/laws/regulation/090098#BK46\)](https://www.ontario.ca/laws/regulation/090098#BK46) and [36 \(https://www.ontario.ca/laws/regulation/090098#BK47\)](https://www.ontario.ca/laws/regulation/090098#BK47) of the General Regulation, and [Ontario Regulation 209/09 – Administrative Penalties \(https://www.ontario.ca/laws/regulation/090209\)](https://www.ontario.ca/laws/regulation/090209) for more information about administrative penalties.

Charges and offences

If it appears you are not complying with the *Payday Loans Act, 2008*, the regulations or an order made under the act, the Director designated by the Minister of Government and Consumer Services may apply to the Superior Court of Justice for an order, directing you to comply.

You can also be charged with an offence for:

- not complying with the *Payday Loans Act, 2008* or its regulations
- providing false information under the act
- failing to comply with any order made against you under the act

If you are convicted, you can be fined up to \$50,000 and/or imprisoned for up to two years less a day. The same applies to officers and directors who fail to take reasonable care to prevent a corporation from committing an offence and are convicted.

Corporations and other entities can be fined up to \$250,000 upon conviction.

Refer to sections [54 \(https://www.ontario.ca/laws/statute/08p09#BK66\)](https://www.ontario.ca/laws/statute/08p09#BK66) and [55 \(https://www.ontario.ca/laws/statute/08p09#BK67\)](https://www.ontario.ca/laws/statute/08p09#BK67) of the *Payday Loans Act, 2008* for more information about charges and offences.

Consumer Beware List

If you don't comply with the *Payday Loans Act, 2008* your business name and details will be published on the [Consumer Beware List \(https://www.ontario.ca/page/search-consumer-beware-list\)](https://www.ontario.ca/page/search-consumer-beware-list).

The Consumer Beware List is a public list of businesses that have had compliance or enforcement action taken against them. Information about a business remains on this list for 21 to 27 months.

Learn more about the [Consumer Beware List \(https://www.ontario.ca/page/search-consumer-beware-list\)](https://www.ontario.ca/page/search-consumer-beware-list)

Other services – cheque cashing

The limit on the fee for cashing government cheques is the lesser of:

- \$10
- \$2 plus 1 per cent of the face value of the cheque

For example:

- for a \$500 government cheque, the limit on the fee for cashing the cheque is \$7
- for a \$1,000 government cheque, the limit on the fee for cashing the cheque is \$10

If you require a consumer to purchase a good or service in order to cash a government cheque, the purchase price of the good or service must be included in the fee you charge for cashing the government cheque.

You must also provide a receipt to the consumer that includes:

- a statement that the cheque was a government cheque
- the face value of the cheque
- the amount of the fee that you charged the consumer for cashing the cheque
- a description of any other services or goods provided to the consumer in relation to cashing the cheque
- the balance that you paid to the consumer on cashing the cheque
- the date when you cashed the cheque
- your business name, address, telephone number, and other contact information, such as fax number and e-mail address (if applicable)
- information for contacting the ministry

Refer to sections [71.1 and 71.2 \(https://www.ontario.ca/laws/regulation/050017#BK126\)](https://www.ontario.ca/laws/regulation/050017#BK126) of Ontario Regulation 17/05 under the *Consumer Protection Act, 2002* for more information about cheque cashing.

Contact us

If you have any questions about this guide, please contact us for assistance:

Registrar, *Payday Loans Act, 2008*
Ministry of Government and Consumer Services
56 Wellesley Street West, 16th Floor
Toronto, Ontario M7A 1C1

- Tel: 416-326-6203
- Toll-free: 1-800-889-9768
- TTY: 416-229-6086
- Toll-free TTY: 1-877-666-6545
- [CPOLicensing@ontario.ca \(mailto:CPOLicensing@ontario.ca\)](mailto:CPOLicensing@ontario.ca)

Updated: July 30, 2019

Published: July 29, 2019

Related

[Consumer protection information for businesses \(https://www.ontario.ca/page/consumer-protection-information-businesses\)](https://www.ontario.ca/page/consumer-protection-information-businesses)

[*Payday Loans Act, 2008 \(https://www.ontario.ca/laws/statute/08p09\)*](https://www.ontario.ca/laws/statute/08p09)

[Ontario Regulation 98/09 \(General\) \(https://www.ontario.ca/laws/regulation/090098\)](https://www.ontario.ca/laws/regulation/090098)

[Ontario Regulation 209/09 \(Administrative Penalties\) \(https://www.ontario.ca/laws/regulation/090209\)](https://www.ontario.ca/laws/regulation/090209)



Payday loan: your rights



What you need to know before you take out a short-term, cash advance payday loan from a retail store or online.



As of January 1, 2018, the maximum cost of a payday loan [has been lowered](#).

On July 1, 2018, new rules come into effect affecting both payday lenders and borrowers. [Here's what you need to know.](https://www.ontario.ca/page/payday-loan-your-rights#section-4) (<https://www.ontario.ca/page/payday-loan-your-rights#section-4>)

How it works

A payday loan is:

- usually a small value loan taken out for a short time, typically until your next payday
- loaned at a retail store or online
- the most expensive form of consumer loan in Ontario
- an unsecured loan (you cannot put any property as collateral or guarantee for the loan, you need to provide the lender with a post-dated cheque or a pre-authorized debit)

Most lenders **do not do** credit checks before issuing payday loans. They usually ask borrowers to:

- prove 3 months of continuous employment
- give proof of address (e.g., they can ask to see a utility bill)
- have a chequing account

Costs

Payday loans are an expensive form of credit. Before getting a payday loan, you should consider other ways to borrow money (e.g., from family or friends, a bank or credit union or your credit card).

As of January 1, 2018, the maximum cost of borrowing a payday loan is \$15 for every \$100 that you borrow. This means:

If you borrow \$300 for 2 weeks:	Payday loan (fee)	Credit card (fee with interest at 23%)
1 loan will cost	\$45	\$6.15
2 loans will cost	\$90	\$12.29
4 loans will cost	\$180	\$24.59
6 loans will cost	\$270	\$36.88

The law

The *Payday Loans Act, 2008* (<https://www.ontario.ca/laws/statute/08p09>) helps protect people who take out payday loans.

Under the act:

- you can't be charged more than \$15 for every \$100 that you borrow
- you can't be sold or offered any goods or services in connection with the payday loan
- you have two business days to cancel a contract for a payday loan without any penalty (e.g., without paying a fee) and without having to give a reason
- "rollover" loans are not allowed (this means you can't roll what you owe on a payday loan into a second payday loan. This is because you can't get another payday loan from the same lender before paying your first loan in full)

Rules for payday lenders

Payday lenders must:

- be licensed with the Government of Ontario and follow the rules set by the *Payday Loans Act, 2008*
- include specific information on the first page of your contract
 - the amount you are borrowing
 - the number of days that your loan is for
 - what you will pay to borrow the money
- never ask for or accept payment by automatic deduction from your paycheck (assignment of wages)

If you have not met the terms of your loan agreement (e.g. haven't paid), a lender can't:

- contact you more than 3 times a week (not including regular mail) or on holidays
- contact your spouse, family, household members, relatives, friends, neighbours, or acquaintances at any time
- process a post-dated cheque or pre-authorized debit more than once if it will result in your financial institution charging you any fees, like overdraft or fees for insufficient funds (if a lender does this, you are entitled to recover these fees from the lender and would not be required to pay the cost of borrowing the loan)
- use threatening or intimidating language
- use excessive or unreasonable pressure

New rules coming into effect

Starting on July 1, 2018:

- lenders cannot lend you more than 50% of your net income per loan
- lenders must show the cost of borrowing a payday loan as an annual percentage rate in advertising or agreements
- the maximum fee that cheque cashing services can charge for government-issued cheques is \$2 plus 1% of the face value of the cheque, or \$10 - whichever is less

Extended payment plan

Beginning July 1, 2018, lenders must give you the option of an **extended payment plan** if you take out three loans within a 63-day period.

If you enter into an extended payment plan, you can:

- make prepayments at any time without any additional fee or penalty
- exit the extended payment plan at any time without any additional fee or penalty

You have the option to pay back your loan in equal instalments over multiple pay periods. The amount you pay back per instalment will depend on how frequently you are paid.

If you are paid weekly, bi-weekly, semi-monthly or more frequently:

- your instalments must be spread out over at least three pay periods
- the maximum amount of each instalment is 35% of the combined total of the loan and cost of borrowing

If you are paid monthly or less frequently than semi-monthly:

- your instalments must be spread out over at least two pay periods
- the maximum amount of each instalment is 50% of the combined total of the loan and cost of borrowing

File a complaint

If you believe that a payday lender has broken the rules, you can [file a complaint with us](https://www.ontario.ca/page/filing-consumer-complaint) (<https://www.ontario.ca/page/filing-consumer-complaint>).

Find a licensed lender

Before you get a payday loan:

- always check that a lender is licensed (don't take out a loan unless you see an Ontario licence number, even if borrowing from retail stores or online lenders)
- be aware that there are companies that pose as online payday lenders but are actually "lead generators" that collect personal information from people looking to get a payday loan and then sell it to an actual payday lender (sharing this kind of information can put you at risk of [identity theft](https://www.ontario.ca/page/how-avoid-or-recover-identity-theft) (<https://www.ontario.ca/page/how-avoid-or-recover-identity-theft>)).

[Check if a payday lender is licensed](https://www.consumerbeware.mgs.gov.on.ca/eseach/start.do) (<https://www.consumerbeware.mgs.gov.on.ca/eseach/start.do>)

Ask the right questions

Before you get a pay day loan, you should:

- plan to have enough money in your account to repay the loan and on the day it is due
- understand how much you will pay for the loan if it's overdue
- ask how much will it cost me to borrow this money?
- ask how much will I be charged if I don't pay the loan back on time?
- ask is this payday lender licensed and in good standing?
- ask am I being charged more than \$15 for every \$100 that I'm borrowing?

Updated: September 24, 2019

Published: September 29, 2014

Related

[Collection agency: your rights \(https://www.ontario.ca/page/collection-agency-your-rights\)](https://www.ontario.ca/page/collection-agency-your-rights)

[Credit report \(https://www.ontario.ca/page/credit-reports\)](https://www.ontario.ca/page/credit-reports)

[Consumer Protection Ontario \(https://www.ontario.ca/page/consumer-protection-ontario\)](https://www.ontario.ca/page/consumer-protection-ontario)

2020 Payday Loan Regulations: Municipal Benchmarking

Note: Benchmarking has been based on a scan of municipal websites and by-laws available online.

Municipality	Licensing Fees	Ward Limits	City-wide Cap	Poster/Education Requirements	Zoning and/or Licensing Separation Distances
Ajax	N/A	N/A	N/A	N/A	None
Barrie	N/A	N/A	N/A	N/A	Zoning By-law: <ul style="list-style-type: none"> 100 m from other payday loan businesses, tattoo parlours, body piercing parlours, or pawnshops within the Central area Commercial and Transition Centre Commercial zones
Chatham-Kent	<ul style="list-style-type: none"> Initial: \$575 Renewal: \$118 	N/A	6	Yes	None
Clarington	N/A	N/A	N/A	N/A	None
Hamilton	<ul style="list-style-type: none"> Initial: \$897 - \$1146 Renewal: \$820 Late fee: \$327 	1/ward	15	Yes	None
Kitchener	<ul style="list-style-type: none"> Initial: \$575 Renewal: \$375 Late fee: \$450 	2/ward	10	No	Licensing By-law: <ul style="list-style-type: none"> 500 m from other payday loan businesses, gaming establishments, and gambling or addiction counselling services
London	<ul style="list-style-type: none"> Initial: \$400 Renewal: \$400 Late Fee: \$75 	No	No	Yes	None
Ottawa	N/A	N/A	N/A	N/A	Zoning By-law: <ul style="list-style-type: none"> 1000 m from other payday loan businesses 500 m from casinos and racetracks 300 m from schools and post-secondary educational facilities

Municipality	Licensing Fees	Ward Limits	City-wide Cap	Poster/Education Requirements	Zoning and/or Licensing Separation Distances
Pickering	N/A	N/A	N/A	N/A	None
Sarnia	<ul style="list-style-type: none"> • Initial: \$363.65 • Renewal: \$317.15 • Late fee: \$35-100 	N/A	7	Yes	Licensing By-law: <ul style="list-style-type: none"> • 500 m from other licensed payday loan businesses
Toronto	<ul style="list-style-type: none"> • Application: \$658.44 • Renewal: \$321.47 	Varies	212	Yes	Licensing By-law: <ul style="list-style-type: none"> • 500 m from racetracks
Whitby	N/A	N/A	N/A	N/A	None

File: A-2100

June 25, 2020

DELIVERED BY E-MAIL

(clerks@durham.ca)

Region of Durham

Re: Council Approve Funding to Expand the Scope of the City's Security Services and Retain
CDN Protection Limited

Oshawa City Council considered the above-noted matter at its meeting of June 9, 2020 and adopted the following recommendation:

“Whereas the services that are provided in the downtown for those who are unsheltered include: meals; washrooms; showers; a safe place to sleep; medical, mental health and addiction support services; crisis counselling; and, housing navigation; and,

Whereas these are unprecedented times due to the COVID-19 Pandemic resulting in many downtown business closures and consequently less traffic and less pedestrian activity to observe activities which has led to an increase in the number of unsheltered individuals in the downtown; and,

Whereas there has been increased criminal behaviour such as drug use and vandalism as well as undesirable behaviour such as graffiti and defecating on both private and public properties; and,

Whereas downtown residents, businesses and City staff have expressed concern for their safety due to the increased criminal behaviour that is occurring daily in the downtown; and,

Whereas the incidents that are occurring at Memorial Park have doubled in the past few weeks as per complaints from members of the public and businesses and range from defecation, drug use and violence as well as not adhering to the Ontario government emergency orders that prohibit social gatherings of more than five people and the requirement to maintain physical distancing of 6 feet or 2 metres; and,

Whereas security guard requirements have changed due to recreation facility closures and the need to consolidate security resources from the C.O.D. to City Hall to address the numerous issues in the downtown and at Memorial Park, a cost avoidance of approximately \$100,000 has been achieved in the Corporate Security budget; and,

Whereas various security contract providers provide a higher level of security enforcement with specially trained guards who are more able to address these types of situations occurring at Memorial Park and throughout the downtown; and,

Whereas due to increased complaints, staff have undertaken a review of possible solutions to propose to Council to address the impact of the negative occurrences in the downtown and as such: a quote from two vendors G4S (the City's security provider) and CDN Protection Limited) was obtained to ensure competitive pricing and high quality services; and,

Whereas CDN Protection Limited is the preferred vendor as they have established relationships with Oshawa's unsheltered population, the City's social services agencies and Durham Regional Police;

Therefore be it resolved that:

1. Council approve funding up to \$100,000 to expand the scope of the City's security services and retain CDN Protection Limited and that it be funded from the 2020 Council approved Corporate Security operating budget; and,
2. Council request that the Region of Durham contribute funds for the additional security services required as a result of the increased number of unsheltered individuals residing in Oshawa's downtown; and,
3. The downtown businesses and residents be advised of the City's course of action to address the issues."

Oshawa City Council respectfully requests your attention to this matter.

If you need further assistance concerning the above noted matter, please contact Tracy Adams, Commissioner, Corporate Services Department at the address listed on Page 1 or by telephone at 905-436-3311.



Mary Medeiros
City Clerk

/fb

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2463.



The Regional Municipality of Durham Report

To: The Health and Social Services Committee
From: Commissioner of Social Services
Report: #2020-SS-8
Date: July 9, 2020

Subject:

At Home in Durham, the Durham Housing Plan 2014-2024 Annual Report

Recommendation:

That the Health and Social Services Committee recommends to Regional Council:

- A) That this report be received for information as the legislatively required annual report on the progress of At Home in Durham, the Durham Housing Plan 2014-2024;
 - B) That a copy of this report be forwarded to the Ministry of Municipal Affairs and Housing (MMAH); and
 - C) That the Region of Durham request that the provincial and federal governments review relevant tax legislation and policies to identify opportunities to better incent investment in the development of affordable purpose-built rental housing through progressive and responsive federal and provincial tax reform, in order to support the goals of At Home in Durham.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to update the Health and Social Services Committee and Council on progress related to At Home in Durham, the Durham Housing Plan 2014-2024. This serves as the sixth annual progress report for the Plan.

2. Background

- 2.1 Regional Council approved At Home in Durham, the Durham Housing Plan 2014-2024 in June 2014 (Report #2014-J-16), and the recommendations of the Affordable and Seniors Housing Task Force in October 2017 (Report #2017-COW-

- 249). Annual report requirements for both initiatives were consolidated in early 2019 (Report #2019-COW-4).
- 2.2 In November 2019, the Region of Durham completed its legislatively required five-year review of At Home in Durham, including an update on the progress of the plan and the implementation of the recommendations of the Affordable and Seniors' Housing Task Force (Report #2019-COW-25).
- 2.3 The Five-Year Review reaffirmed the Region's commitment to improve affordability and access to housing with and without supports, protect the existing affordable housing supply, encourage housing diversity, and build capacity in the housing system. It specifically committed to the following over the next five years of the Plan:
- a. Reducing chronic homelessness to zero
 - b. Increasing the supply of affordable rental housing by 1,000 units
 - c. Increasing the supply of medium to high density housing
 - d. Significant progress in the regeneration of community housing.
- 2.4 The Five-Year Review was completed only a few months prior to the current COVID-19 pandemic and the declared states of emergency in Ontario and Durham Region. This report highlights the early progress of initiatives arising from the Five-Year review in the midst of this pandemic.

3. Master Housing Strategy

- 3.1 The Region has initiated the development of a comprehensive Master Housing Strategy to operationalize and support the goals of At Home in Durham. The Master Housing Strategy includes a wide-ranging review of the current housing system to ensure optimal utilization of Regional resources and alignment with local housing needs, including:
- a. Revitalization of the Regionally owned Durham Regional Local Housing Corporation (DRLHC) portfolio, including the development of an evidence-based strategy to address maintenance, revitalization, regeneration (redevelopment) and disposal across the portfolio.
 - b. Review of public surplus lands and their potential social and community benefits.
 - c. New partnerships and incentives for affordable housing, including the development of a Regional Community Improvement Plan (CIP).
 - d. Review and modernization of the homelessness and emergency shelter system to reduce chronic homelessness to zero.
 - e. Support for the preservation and modernization of community housing, including opportunities for more flexible partnerships and support for capital needs.
- 3.2 Work is actively underway with respect to DRLHC revitalization. Urban Strategies Inc. has been engaged to provide design parameters and guidelines to frame and

evaluate potential development options for four DRLHC sites, including opportunities to increase densities on those sites.

- 3.3 The Region is in the early stages of engaging a consultant to support a comprehensive review for the design of a Regional CIP, which could in part support the development of new affordable housing across the region (Report #2019-COW-35).
- 3.4 The Region is also developing an Intensification Strategy to forecast development in Strategic Growth Areas, including Centres, Corridors and Major Transit Station Areas, as part of the Municipal Comprehensive Review.

4. Reducing Chronic Homelessness

- 4.1 In 2019, the Region partnered with the Canadian Alliance to End Homelessness (CAEH) to participate in its Built for Zero campaign. The goal of the campaign is to help a core group of leading communities to achieve and sustain functional zero chronic homelessness.
- 4.2 Working with our community partners, Durham has created a By-Name List that reflects the depth of need of each person experiencing homelessness. Knowing the people experiencing homelessness by name and prioritizing the most vulnerable is essential to ending homelessness in Durham.
- 4.3 Prioritizing the most vulnerable has enabled community partners in Durham to consistently increase the number of chronic homeless move-ins monthly, reducing the number of people in Durham experiencing chronic homelessness. The number of people assisted has continued to increase despite the COVID-19 crisis.

5. Supportive Housing

- 5.1 A key action of at Home in Durham is to improve access to safe and secure housing that supports the needs of a diverse community, including people who face challenges with mental health, addictions and homelessness.
- 5.2 The current COVID-19 crisis has highlighted that homelessness is not just a socio-economic issue but also a community health issue. People who are unsheltered or living in emergency shelters experience significant difficulty complying with social distancing and other public health guidance to reduce the spread of COVID-19 or other communicable diseases.
- 5.3 The Region's response to its homeless population during the pandemic has been largely successful. Staff worked collaboratively with community partners to increase access to emergency shelter through hotel/motel programs, implement isolation and recovery programs, expand shelter services and community hubs. To date, there have been no COVID-19 outbreaks in the homeless population in Durham.

- 5.4 The In and Out of the Crisis (IOTC) program operating out of Camp Samac in Oshawa has been particularly effective – providing temporary shelter for 67 people to date who were previously unsheltered, including meals, access to health services, and mental health and addictions supports. Four people in the IOTC program, who had been chronically homeless, have also been assisted to find safe, supportive and affordable housing. The program currently has a wait list of 22 people.
- 5.5 However, these measures are temporary. In order to address the health, community health and socio-economic impacts of homelessness, the Region needs long-term sustainable supportive housing solutions.
- 5.6 Staff are currently exploring opportunities to leverage community partnerships, surplus lands and innovative modular housing solutions to facilitate the development of affordable supportive and transitional housing to address the short-term and long term needs of vulnerable people in Durham (Report #2020-SS-9).
- 5.7 At Home in Durham advocates a housing first approach, but it is difficult to have housing first without housing.

6. Support from Upper Levels of Government

- 6.1 Upon the approval of the Five-Year Review of At Home in Durham at the November 13, 2019 Committee of the Whole meeting, it was requested that staff draft a motion with regards to requesting that the provincial and federal governments review the Tax Act such that affordable housing can be a better investment.
- 6.2 Affordable private rental housing development in Ontario and Canada has been in steady decline since the 1970s as taxation policies related to investments in private rental development became less favourable.
- 6.3 Both for-profit and not-for profit developers of affordable rental housing require more robust tools to offset long-term operating and debt servicing costs in order to ensure continuing affordability for low- and moderate-income people in our communities.
- 6.4 Municipalities have limited fiscal tools to incent affordable rental development, while also balancing costs for growth-related infrastructure. However, upper levels of government can influence investment in affordable rental housing through progressive and responsive tax legislation and policies.
- 6.5 To support the goals of At Home in Durham, it is recommended that the provincial and federal government review relevant tax legislation and policies to identify opportunities to better incent investment in the development of affordable purpose-built rental housing.

7. Conclusion

- 7.1 This is the sixth annual progress report of At Home in Durham, the Durham Housing Plan 2014-2024.
- 7.2 At Home in Durham establishes goals and actions that will improve affordability and access to housing with and without supports, protect the existing affordable housing supply, encourage housing diversity, and build capacity in the housing system.
- 7.3 Over the next five years, the Region of Durham is committed to initiating the development of 1,000 new affordable housing units, including new supportive and transitional housing for vulnerable low-income residents, and significant regeneration and redevelopment of four Durham Regional Local Housing Corporation (DRLHC) sites.
- 7.4 Upper levels of government can support the goals of At Home in Durham by implementing progressive and responsive tax legislation and policies that can influence investment in affordable rental housing in Durham.

Respectfully submitted,

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer



The Regional Municipality of Durham Report

To: Health and Social Services Committee
From: Commissioner of Social Services
Report: #2020-SS-9
Date: July 9, 2020

Subject:

Expedited Supportive Housing Development

Recommendation:

That the Health and Social Services Committee recommends to Regional Council subject to approval of the Finance and Administration Committee:

- A) That, subject to a two-thirds majority vote, Council be requested to rescind its previous decision to issue a Request for Proposal for the purpose of soliciting affordable rental housing project proposals under the Ontario Priorities Housing Initiative, as adopted by Council on June 26, 2019 in Part (F) of Report #2019-COW-13 in order for the funds to be reallocated and used directly by the Region for supportive housing development; and
- B) That 2021 pre-budget approval be granted for the development of a modular supportive housing project of approximately 50 units and the construction of an approximate 5,000 square foot ancillary structure to provide a combination of support services and congregate living, on Regional land located at 133 Main St., Beaverton, at an estimated cost of \$13,552,990 to be funded from the reallocation of the proposed \$5,620,900 in Ontario Priorities Housing Initiative (OPHI) and \$7,932,090 from the Social Housing Reserve Fund, subject to the approval of the Ministry of Municipal Affairs and Housing (MMAH) under Years 2 and 3 of the Ontario Priorities Housing Initiative (OPHI) in the amounts of \$2,137,535 and \$3,483,365 respectively; and
- C) That a sole source agreement with Horizon North Inc. (or its affiliate NRB) for the design, delivery and installation of approximately 50 modular affordable supportive housing rental units at 133 Main St., Beaverton be approved subject to the terms and conditions being satisfactory to the Commissioner of Finance; and
- D) That 2021 pre-budget approval be granted for a “Microhome Pilot” project to provide temporary supportive housing on Regionally owned lands, that are available for a

limited period of time at an estimated cost \$880,000 to be funded from the Social Housing Reserve Fund and the procurement process, including potentially sole sourcing be delegated to the Commissioner of Finance and the Commissioner be authorized to award and execute any required agreements; and

- E) That staff be directed to pursue all available and eligible funding from senior levels of government related to the “Supportive Housing - Modular Homes” and “Supportive Housing – Microhomes” projects, and that the Commissioner of Finance be authorized to execute any subsequent agreements; and
 - F) That the CAO be authorized to urgently request the Ontario Government to make available operating funding to support the Region’s modular supportive housing initiative and that the Commissioner of Finance be authorized to negotiate and enter into any agreements necessary to secure such funding.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to identify the urgent need for affordable and supportive housing development and facilitate the process to expedite the development. The current COVID-19 crisis has highlighted that homelessness is not only a social issue but also a community health issue. Those who are unsheltered cannot practice public health guidelines and recommendations aimed at reducing the spread of COVID-19 or any other future pandemic.

2. Background

- 2.1 On March 11, 2020 the World Health Organization (WHO) declared the COVID-19 virus as a global pandemic with significant public health risks. WHO officials stressed that measures should be implemented to address both containment and mitigation to limit the spread of the virus. The former involves trying to detect and stop known chains of transmission by isolating cases and mitigation involving community-level steps like social distancing.
- 2.2 The Province of Ontario and the Regional Municipality of Durham (Region) have declared emergencies under the Emergency Management and Civil Protection Act as a result of the pandemic.
- 2.3 On April 7, 2020 a Class Order was issued by Durham’s Commissioner and Medical Officer of Health ordering those who have tested positive for COVID-19, pending test results, having reasonable grounds to believe they have symptoms of COVID-19 or having had contact with someone with or believed to have symptoms of COVID-19 to self isolate.
- 2.4 Unsheltered populations are significantly challenged to self isolate or practice social distancing. Unsheltered individuals also lack access to the appropriate hygiene supplies and/or facilities.

2.5 Regional staff have initiated a number of programs to help unsheltered residents practice the same precautions as others in the community however these measures are not sustainable over the long term. Temporary measures put in place to achieve compliance with public health recommendations include the expansion of hotel/motel programs, implementation of isolation and recovery programs, expanded shelter services and community hubs.

3. Supportive Housing Alignment with At Home in Durham, the Durham Housing Plan 2014-2024

3.1 In May 2014 Regional Council approved At Home in Durham, the Durham Housing Plan 2014-2024 (Report #2014-J-16). Key findings from the Durham Housing Review and community consultation identified the need for more supportive housing options in the Region.

3.2 In November 2019, Regional Council reaffirmed its commitment to At Home in Durham, the Durham Housing Plan 2014-2024 and the goals and actions that will improve affordability and access to housing with and without supports, protect the existing affordable housing supply, encourage housing diversity, and build capacity in the housing system.

3.3 Regional Council committed to:

- a. initiating the development of 1,000 new affordable housing units during the next five years, with development completed and ready for occupancy over the following five years; and
- b. ending chronic homelessness in Durham by 2024.

3.4 Through the 2020 Regional Budget process Council approved undertaking a comprehensive Master Housing Strategy to operationalize and support the goals of At Home in Durham. The strategy includes:

- a. A review of public surplus lands and the potential social and community benefits that these properties can provide;
- b. The provision of affordable, community, supportive and transitional housing, as well as emergency shelters and other Regional housing programs, all of which provide essential services to low-income residents; and
- c. Other opportunities to support the delivery of affordable housing.

4. Supportive Housing Implementation – Approaches by Other Municipalities

4.1 The COVID-19 crisis has highlighted the need for even more aggressive timelines to address the needs of our unsheltered population. Municipalities such as the City of Vancouver (Vancouver) and the City of Toronto (Toronto) have taken steps towards expediting the development of supportive housing with positive results through the use of modular housing construction.

- 4.2 Modular housing consists of prefabricated units. The units are built indoors in a factory and transported to the site where the building is assembled. This approach is considered a faster and a more cost-effective construction option than conventional construction methods. Construction of the units takes place indoors, eliminating the impacts of weather on the construction process, allowing for expanded construction hours, thereby providing the ability to expedite the construction period overall.
- 4.3 Since 2017, Vancouver has created 663 supportive housing units using modular construction, financed in part by the Province of British Columbia. The units are spread across 11 different developments. Residents at these supportive housing developments are provided with supports, such as life skills training as well as health and social services, and opportunities to connect with community groups, volunteer work, and social events. An additional 40 self-contained non-supportive community housing units were provided through a modular development on City owned lands.
- 4.4 The Province of British Columbia renewed its commitment to develop more temporary supportive modular housing in 2019. Temporary modular construction incorporates building practices that allow for relocation of the project at a future date and is used when sites are not available in perpetuity.
- 4.5 Toronto is taking steps to expedite the delivery of supportive housing through modular construction based on the model used in Vancouver. These modular homes will house residents, and layer in housing benefits and health supports.

5. Justification for Sole Source – Modular Construction

- 5.1 There is a significant benefit to have an established and vetted vendor for expediting the production of the modular homes, within this project.
- 5.2 NRB, a Horizon North Company located in Grimsby, Ontario has been contracted by Toronto to implement its first modular housing development. Horizon North worked extensively with Vancouver on the development and implementation of their modular housing projects. Designs are being updated to meet current Ontario Building Code requirements with customizations based on Toronto's needs. The result will be a repeatable design permitting rapid construction of units, complete with the necessary furniture and fixtures to welcome residents.
- 5.3 Toronto has taken the necessary steps to expedite this process to better address future waves of COVID-19 or any pandemic. These measures include sole sourcing (first phase only), delegation of authorities, prioritizing the planning process (review and consideration of required planning applications), exemptions from fees and charges and exemptions from taxation for municipal and school purposes.
- 5.4 The City of Toronto's decision to enter into a non-competitive procurement process for Phase 1 was based on the recommendation of an inter-divisional team of CreateTO and city staff. The recommendation was based on research and outreach

to a number of modular manufacturers in the Greater Toronto Area and across Canada taking the following factors into account:

- a. There is limited competition in the market with only a handful of companies that have actually delivered residential modular housing;
- b. Horizon North Inc./NRB has extensive experience (over 40 years) in the modular residential housing industry;
- c. Horizon North Inc./NRB has successfully delivered hundreds of modular homes in City of Vancouver and across the province of British Columbia; and
- d. This is the only manufacturer contacted who confirmed they can meet the urgent, emergency timelines.

5.5 The City of Toronto has signed a non-binding letter of intent with NRB.

6. Durham Region's Approach

6.1 Staff is exploring both short-term and long-term approaches to implement supportive housing units throughout the Region.

6.2 As noted earlier, the Region has implemented short term measures to deal with the issues presented from the COVID-19 crisis. These measures include the expansion of hotel/motel programs, implementation of isolation and recovery programs including the temporary supportive housing program at Camp Samac, expanded shelter services and community hubs. Staff are reviewing other opportunities for temporary shelter across the Region.

6.3 In addition, staff are reviewing lands assembled for future Regional projects to accommodate short term micro-housing which could be relocated at a future time to a permanent location. Properties acquired over several years for the Gibb Street/Olive Avenue realignment and widening project may be good candidate sites for this temporary form of development as they are already serviced, and units can be readily relocated once road construction commences.

6.4 Durham Region Non-Profit Housing Corporation (DRNPHC) has developed a model microhome for viewing at their downtown Oshawa headquarters with the hope that this type of housing can be incorporated into the mix of affordable rental housing options for Durham residents. The cost for the construction of each microhome is estimated at approximately \$80,000.

6.5 To facilitate future partnership opportunities that promote the development of affordable housing units, correspondence has been forwarded to the Region's local municipalities and faith-based community for lands that can be used either in a temporary capacity or for long-term application. To date, two churches have contacted staff for more information on how they can help serve the homeless population through supportive housing models.

6.6 The Affordable and Seniors' Housing Task Force Report (Refer #2017-COW-249) recognized the need for action and the important role of the Region as a "Leader

and Champion”. Pursuing the development of supportive modular housing, with a goal of implementing a pilot project on land owned by the Region is in alignment with the recommendations of the task force.

- 6.7 The key to success for a rapid implementation of modular housing is the site selection. Sites that require little alteration, have services readily available, are suitably sized and located, and can be supported through expedited approval processes are critical considerations to quickly establishing these modular developments.
- 6.8 An outcome of the Affordable and Seniors’ Housing Task Force was the identification of potential surplus land for the development of affordable housing. One of the five sites identified, located at 133 Main Street, Beaverton adjacent to the Region’s Lakeview Manor long term care facility, is a good location for the development of modular supportive housing. There are benefits to providing supportive housing outside of the 401 corridor, provided an effective on-site support model is in place. Staff are leveraging the Region’s existing partnership with the Canadian Alliance to End Homelessness (CAEH) to develop an effective supportive housing model that can be used in a rural setting and have received a letter of support for the proposed project (Attachment 2). In addition, staff have contacted the cities of Toronto and Ottawa for their practical advice with respect to developing and operating supportive housing.
- 6.9 The development of permanent self-contained supportive housing units is eligible for funding under the Ontario Priorities Housing Initiative (OPHI). The Region’s investment plan for OHPI funding was approved by Council in June 2019 (Refer #2019-COW-13). The investment plan includes \$2,137,535 in 2020/2021 and \$3,483,365 in 2021/2022 for a total of \$5,620,900. Based on Toronto Council report Item CC20.6, the overall cost of their modular supportive housing project is approximately \$190,000 per unit or \$9.5 million for a 50-unit building. To account for potential additional site work in Beaverton an allowance for \$1.5 million is being added to the total estimated cost. Therefore, OPHI funding has the potential to cover approximately half the estimated cost of \$12,320,900 to develop a 50-unit building (excluding contingencies).
- 6.10 In order to address the urgent need for supportive housing development and maximize federal-provincial funding steps must be taken to commit the resources required to initiate the development and delegate authority to expedite the process to meet strict federal-provincial OPHI program timelines.
- 6.11 The Region will approach the development of the “Supportive Housing – Modular Units” project through a succession of steps that are aligned with federal-provincial OPHI funding guidelines and “piggy back” on the City of Toronto’s expedited supportive housing phase 1 development project. These steps include:
 - a. Approval from the Ministry of Municipal Affairs and Housing (MMAH) for funding eligibility under the Ontario Priorities Housing Initiative (OPHI);

- b. Negotiation with NRB a Horizon North Company, under a sole source agreement for the delivery of a modular housing project;
 - c. Initiate a Request for Proposal for the development of an ancillary structure to provide both support services and congregate living; and
 - d. Issuing a Request for Proposal (RFP) for the provision of on-site supports consistent with sector best practices.
- 6.12 The Region will approach the delivery of the “Supportive Housing – Microhomes” project by issuing an expression of interest for microhome manufacturers to showcase product offerings. Staff will work closely with the Durham Region Non-Profit Housing Corporation who have experience with the microhome housing model. Staff will report back to Council on the outcome of the expression of interest.

7. Financial Implications

- 7.1 The expedited development of supportive housing solutions will require an initial allocation from the Social Housing Reserve Fund in the amount of \$8,812,090, along with \$5,620,900 allocated from the Ontario Priorities Housing Initiative. The estimated total project budget is noted in Table 1A.

Table 1A: Estimated Funding Requirement

Description	Regional Social Housing Reserve Fund	Ontario Priorities Housing Initiative	Total Financing
Modular Construction	\$3,879,100	\$5,620,900	\$9,500,000
Ancillary Structure to Support Modular	1,320,900	0	1,320,900
Additional Site Work	1,500,000	0	1,500,000
Contingency (10% of total)	1,232,090	0	1,232,090
Subtotal-Modular	7,932,090	5,620,900	13,552,990
Microhomes	800,000	0	800,000
Contingency (10% of total)	80,000	0	80,000
Subtotal-Microhomes	880,000	0	880,000
Total	\$8,812,090	\$5,620,900	\$14,432,990

- 7.2 Regional annual operating costs will be partially offset by rental revenue, set between the maximum Ontario Disability Support Program (ODSP) shelter allowance and 80 per cent of the average market rent as determined by the Canada Mortgage and Housing Corporation (CMHC) which is the maximum rental charge for this project under the OPHI program. The use of federal and/or provincial rent supplements will maximize potential rental revenue. Operating costs in 2021 and subsequent years will be included in future annual business plans and budgets.
- 7.3 Costs associated with the provision of support services, based on similar supportive housing projects in other jurisdictions, is estimated at \$1.2 million annually and will be funded through federal and/or provincial funding under the Community Homelessness Prevention Initiative (CHPI) and/or Reaching Home (RH). To preserve CHPI and RH funding for other homelessness initiatives the Province of Ontario will be requested to provide direct funding for the provision of support services for the “Supportive Housing – Modular Units” project.

- 7.4 To improve the financial sustainability of supportive housing developments all fees and charges at the local municipal level must be reviewed to determine maximum waivers and/or grants in lieu of fees.
- 7.5 There are risks to the Region with the Provincial and Federal funding noted above. In the event that the Province or Federal government decreases the level of OPHI funding for 2021-2022, then the Region's costs would need to increase to complete the approved projects. In addition, should the Provincial and/or Federal Funding for homelessness programs, including supportive housing decrease, the shortfall may need to be accommodated by reducing other homelessness supports or increasing the Regional contribution to homelessness programs. That being said, both levels of government have committed to increasing affordable housing and reducing homelessness.

8. Conclusion

- 8.1 Estimated occupancy for the modular units and microhomes is anticipated for 2021. The various milestones for progress (e.g. site preparation, installation, construction, inspection, etc.) will be subject to timelines that are negotiated with the vendors.
- 8.2 The most effective way for residents to stay at home during a health crisis is for them to have a home. Providing supportive, self contained housing units on both a temporary and longer-term basis accomplishes this objective.
- 8.3 Expedited modular housing construction combined with microhome housing, both fitted with wrap around supports for the residents is key to meeting the urgent needs of the unsheltered population.
- 8.4 Modular housing has been successfully implemented in Vancouver for the past three years, and Toronto is now implementing similar measures to address the pressing needs for supportive shelter.
- 8.5 The expedited development of modular supportive housing in Durham now will not only maximize available federal-provincial OPHI funding but will build upon the temporary measures put in place to address the needs of Durham's homeless population and overall wellbeing of the community as highlighted by the current global pandemic.
- 8.6 The adoption of innovative housing solutions is consistent with the goals of At Home in Durham, the Durham Housing Plan 2014-2024 and Councils commitment to increasing the supply of affordable housing.
- 8.7 The use of modular supportive housing and microhome housing is at the forefront of innovative housing solutions in North America and the Region of Durham has an opportunity to take a leadership position in this new frontier.
- 8.8 The Commissioner of Finance concurs with the financial recommendations.

8.9 For additional information, contact Alan Robins, Director of Housing Services at 905-668-7711, extension 2500.

9. Attachments

Attachment #1: [Link to City of Vancouver Temporary Modular Housing Webpage](#)

Attachment #2: Letter of Support, Built for Zero- Canadian Alliance to End Homelessness, dated June 18, 2020

Respectfully submitted,

Original signed by:

Stella Danos-Papaconstantinou
Commissioner of Social Services

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer



June 18, 2020

Alan Robins
Director, Housing Services Division
Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario L1N 6A3

Re: Permanent Supportive Housing

Hello Alan,

On behalf of the Built for Zero Canada team and the Canadian Alliance to End Homelessness, I want to recognize the progress your community has made thus far on your journey to end chronic homelessness. Your resilience during this unprecedented time saw you maintain progress on your Coordinated Access system and By-Name List initiative and swiftly lead innovative projects to ensure the health and safety of people experiencing homelessness in response to COVID-19.

In particular, modeling Camp Samac in Oshawa as a way to provide supports while maintaining isolation and social distancing requirements demonstrates your commitment to serve your most vulnerable population. When the youth camp's supports highlighted a need for permanent supportive housing, you immediately took the necessary steps toward permanent supportive housing modules. We fully support your community's response to invest in housing solutions. This response will bring Durham Region, and all of Canada, closer to ending homelessness. We believe this endeavour will be successful because of your team's strong leadership. Durham Region is a model amongst our Built for Zero Canada communities.

It is apparent that you are dedicated to see an end homelessness in your community, and that your team will innovate and act to accomplish that end. The Built for Zero Canada team and the Canadian Alliance to End Homelessness is very excited to continue to support you with this project and in reaching your functional zero goal.

Sincerely,

Marie Morrison, Director, Built for Zero Canada



The Regional Municipality of Durham Report

To: Health and Social Services Committee
From: Commissioner of Social Services
Report: #2020-SS-10
Date: July 9, 2020

Subject:

Information Sharing Agreement with Durham Connect

Recommendation:

That the Health and Social Services Committee recommends:

That this report be received for information.

Report:

1. Purpose

1.1 This report is to provide details of the signed Information Sharing Agreement for the Social Services Department's participation with Durham Connect.

2. Background

2.1 Durham Connect is a Situation Table. Situation Tables are formal multi-sectoral collaborations that brings together partners such as, Health, Justice, Education, Mental Health, Social Services and others to collectively align services in order to support members of our community deemed to be at acutely elevated risk of harm.

2.2 Canada's first Situation Table was launched in Prince Albert, Saskatchewan in 2011 and due to success as a pro-active approach to community safety and wellbeing; it has been adopted in other provinces across Canada. Durham Region's Situation Table began in 2015. The Durham Connect Table is led by the Durham Regional Police Service.

2.3 Situation Tables are comprised of a Systems Leaders Group, An Operations Management Committee and a Situation Table Committee which provide governance and oversight to entire range of activities, including data sharing.

- 2.4 Similar to Situation Tables across the country, Durham Connect involves a multi-agency/multisectoral governance framework that provides the structure, resources and other support to ensure that processes are followed, and documentation exists prior to, at the time of and after sharing personal information.
- 2.5 Durham Connect collaborative efforts have proven successful with demonstrated impacts and system-level outcomes in Community Safety and Wellbeing across Durham Region.
- 2.6 A formal data collection agreement has allowed for the successful operation of the Situation Table and has created the opportunity to ensure that local data informs local planning and the deployment of resources where they are most needed.

3. Protection of Health and Safety

- 3.1 Durham Connect can help community members and/or families that determine an individual's health and safety is at risk by providing rapid mobilization of resources and services from multiple agencies in Durham Region.
- 3.2 Eligibility criteria for referral to the Table is defined by the Ministry of Community Safety Correctional Services and only those deemed as at acutely elevated risk are referred.
- 3.3 Based on the determination of need, an agency will lead the intervention and other agencies assist where required. Personal health information may be shared through the Durham Connect process.
- 3.4 Durham Connect follows the four-filter process which is designed to ensure that any collection and disclosure of personal information is the minimum necessary to achieve the purpose.
- 3.5 The last stage of the process involves a private meeting between identified support agencies where personal information is shared for the development of a customized intervention plan to reduce or prevent imminent harm.
- 3.6 An intervention through Durham Connect will occur within 24-48 hours. Written consent of involving agencies is completed in order to develop a customized intervention plan.

4. Conclusion

- 4.1 Durham Region's Social Services Department participates in Durham Connect through the Systems Leaders Group, Operations Management Committee and the Situation Table. Through this involvement Social Services, along with community partners entered into a data sharing agreement in the late 2019. The Region of Durham's Legal Department has reviewed the agreement and confirms satisfaction as to the form and content of the agreement and have no concerns with the region entering the agreement.

Respectfully submitted,

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services