



The Regional Municipality of Durham

Health & Social Services Committee Agenda

Council Chambers
Regional Headquarters Building
605 Rossland Road East, Whitby

Thursday, March 4, 2021

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 – February 4, 2021

Pages 4 - 9

4. Statutory Public Meetings

There are no statutory public meetings

5. Delegations

- 5.1 Ben Earle, Executive Director, Feed the Need in Durham, re: The Economic Impacts of Basic Income in Canada

6. Presentations

- 6.1 R.J. Kyle, Commissioner and Medical Officer of Health, re: COVID-19 Vaccination Update
- 6.2 A. Robins, Director, Housing Services, regarding Community Housing End of Mortgage (EOM) (2021-SS-3) [Item 8.2 B)]

7. Health

- 7.1 Correspondence
- 7.2 Reports

There are no Health Reports to consider

8. Social Services

- 8.1 Correspondence
- 8.2 Reports

- A) 2020 Durham Access to Social Housing (DASH) Wait List Statistics (2021-SS-2) 10 - 16
- B) End of Mortgage Service Manager Task Force Recommendations (2021-SS-3) 17 - 33
- C) Recovery and Renewal: Ontario's Vision for Social Assistance Transformation (2021-SS-4) 34 - 42

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, April 8, 2021 at 9:30 AM

13. Adjournment

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The Regional Municipality of Durham

MINUTES

HEALTH & SOCIAL SERVICES COMMITTEE

Thursday, February 4, 2021

A regular meeting of the Health & Social Services Committee was held on Thursday, February 4, 2021 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
Councillor Wotten
Regional Chair Henry
***all members of the Committee participated electronically**

Also

Present: Councillor Barton
Councillor Drew
Councillor Hight
Councillor McLean
Councillor Mulcahy
Councillor Smith

Staff

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

2. Declarations of Interest

Councillor Anderson made a declaration of interest under the Municipal Conflict of Interest Act with respect to Report #2021-MOH-2: 2021 Health Department Business Plans and Budgets. He indicated that his daughter is a nurse and a paramedic and is employed by the Region.

3. Adoption of Minutes

Moved by Councillor Roy, Seconded by Councillor Wotten,
(1) That the minutes of the regular Health & Social Services Committee meeting held on Thursday, December 3, 2020, be adopted.

CARRIED

4. Statutory Public Meetings

There were no statutory public meetings.

5. Delegations

There were no Delegations to be heard.

Moved by Councillor Carter, Seconded by Councillor Anderson,
(2) That the agenda be altered in order to consider Reports #2021-MOH-2 [Item 7.2 B] and #2021-SS-1 [Item 8.2 A] after the respective presentations.

CARRIED

6. Presentations

6.1 Dr. R.J. Kyle, Commissioner and Medical Officer of Health, regarding the 2021 Business Plans and Budget Report for the Health Department (2021-MOH-2) [Item 7.2 B]

N. Taylor and R.J. Kyle provided a PowerPoint presentation regarding the 2021 Health Department Business Plans and Budgets. Highlights of their presentation included:

- 2021 Budget – Strategic Priorities
- Budget Overview
 - 2020 Health Department Accomplishments
 - 2021 Proposed Expenditures and Financing – Public Health
 - 2021 Proposed Expenditures and Financing – Paramedic Services
 - 2021 Priorities and Highlights – Public Health
 - 2021 Priorities and Highlights – Paramedic Services
 - 2021 Priorities and Highlights
- 2021 Risks and Uncertainties
- 2021 Initiatives to Modernize & Find Service Efficiencies
- Future Budget Pressures – Public Health
- Future Budget Pressures – Paramedic Services

7. Health

7.2 Reports

B) 2021 Health Department Business Plans and Budgets (2021-MOH-2)

Report #2021-MOH-2 from R.J. Kyle, Commissioner & Medical Officer of Health, was received.

R.J. Kyle responded to questions with regards to the COVID-19 provincial lockdown; the likelihood of a third wave; and, the rollout of vaccinations and how it will affect the Region's role and budget. He also responded to questions with regards to federal and provincial funding to offset costs related to the pandemic; whether additional funds were allocated for paramedics to assist with vaccinations; possible provincial requirements and guidelines to handle the distribution of the vaccine; plans to service rural communities with regards to vaccinations; and, the importance of investments in technology.

T. Cheseboro responded to questions with regards to whether COVID-19 has presented challenges that have affected the Paramedic Master Plan.

Moved by Councillor Carter, Seconded by Councillor Roy,

(3) That we recommend to the Finance and Administration Committee for subsequent recommendation to Regional Council:

That the 2021 Business Plans and Budgets of the Health Department be approved.

CARRIED ON THE FOLLOWING
RECORDED VOTE

Yes

Councillor Carter
Councillor Dies
Regional Chair Henry
Councillor Pickles
Councillor Roy
Councillor Wotten
Councillor Chapman

No

None

Members Absent: None

Declarations of Interest: Councillor Anderson

6.2 S. Danos-Papaconstantinou, Commissioner of Social Services, regarding the 2021 Business Plans and Budget Report for the Social Services Department (2021-SS-1) [Item 8.2 A]

N. Taylor and S. Danos-Papaconstantinou provided a PowerPoint presentation regarding the 2021 Social Services Department Business Plans and Budgets. Highlights of their presentation included:

- 2021 Budget – Strategic Priorities
- Budget Overview
 - 2020 Accomplishments
 - 2021 Proposed Expenditures and Financing
 - 2021 Priorities and Highlights
- 2021 Risks and Uncertainties
- 2021 Initiatives to Modernize & Find Service Efficiencies
- Future Budget Pressures

8. Social Services

8.2 Reports

A) 2021 Social Services Department Business Plans and Budgets (2021-SS-1)

Report #2021-SS-1 from S. Danos-Papaconstantinou, Commissioner of Social Services, was received.

Moved by Councillor Carter, Seconded by Regional Chair Henry,

(4) That we recommend to the Finance and Administration Committee for subsequent recommendation to Regional Council:

That the 2021 Business Plans and Budgets of the Social Services Department be approved.

CARRIED

7. Health

7.1 Correspondence

A) Correspondence to Dr. Robert Kyle, Medical Officer of Health from Peggy Sattler, MPP (London West) re: Bill 239 – Stay Home If You Are Sick Act

Moved by Councillor Carter, Seconded by Councillor Pickles,

(5) That we recommend to Regional Council:

That the correspondence to Dr. Robert Kyle from Peggy Sattler, MPP (London West) re: Bill 239 – Stay Home If You Are Sick Act, be endorsed.

CARRIED

7.2 Reports

A) Product and Manufacture Standardization for Durham Region Health Department's Oral Health Clinic (2021-MOH-1)

Report #2021-MOH-1 from R.J. Kyle, Commissioner & Medical Officer of Health, was received.

Moved by Regional Chair Henry, Seconded by Councillor Carter,
(6) That we recommend to Council:

That approval be granted to standardize the dental equipment and instruments, estimated at \$251,200 for Durham Region Health Department's Oral Health Clinic in advance of the relocation and expansion of the Oral Health Clinic from 1615 Dundas St. E., Whitby to 200 John St. W., Oshawa with the standardized dental equipment and instruments to be bid competitively to select manufacturers/distributors that carry the standardized equipment and financed through capital costs approved as part of the 2021 Public Health Business Plans and Budgets.

CARRIED

B) 2021 Health Department Business Plans and Budgets (2021-MOH-2)

This Item was considered earlier in the meeting. See Item 7.2 B) on page 3 of these minutes.

Questions to Health

R.J. Kyle responded to questions from Councillor Pickles with regards to the lifting of the provincial state of emergency lockdown.

R.J. Kyle responded to questions from Councillor Dies with regards to the vaccination of isolated seniors who are unable to go out without support from family members and those living independently.

R.J. Kyle responded to questions from Councillor Anderson with regards to the vaccination of senior communities and whether they should be treated as a priority.

8. Social Services

8.1 Correspondence

There were no communications to consider.

8.2 Reports

A) 2021 Social Services Department Business Plans and Budgets (2021-SS-1)

This Item was considered earlier in the meeting. See Item 8.2 A) on page 4 of these minutes.

Questions to Social Services

S. Danos-Papaconstantinou responded to questions from Councillor Dies with regards to how information about services and support is communicated to isolated seniors and those living independently in the community.

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

There was no other business to be considered.

12. Date of Next Meeting

The next regularly scheduled Health & Social Services Committee meeting will be held on Thursday, March 4, 2021 at 9:30 AM.

13. Adjournment

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

CARRIED

The meeting adjourned at 11:01 AM

Respectfully submitted,

B. Chapman, Chair

N. Prasad, Committee Clerk

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



The Regional Municipality of Durham Report

To: Health and Social Services Committee
From: Commissioner of Social Services
Report: #2021-SS-2
Date: March 4, 2021

Subject:

2020 Durham Access to Social Housing (DASH) Wait List Statistics

Recommendation:

That the Health and Social Services Committee recommends:

That this report be received for information.

Report:

1. Purpose

- 1.1 The Durham Access to Social Housing (DASH) wait list provides valuable information about the housing needs of low- and moderate-income households seeking affordable housing in Durham.
- 1.2 This report provides a summary of the DASH wait list at December 31, 2020, including statistical information about rent-geared-to-income (RGI) and modified housing applicants on the wait list, as well as those housed in an RGI or modified unit or otherwise provided financial housing assistance in 2020.

2. Background

- 2.1 The Region of Durham (Durham) is responsible for the administration of the wait lists for rent-geared-to-income (RGI) and modified housing under the Housing Services Act, 2011 (HSA). Applicants for RGI or modified housing in Durham apply through Durham Access to Social Housing (DASH), which is managed by the Housing Services Division.
- 2.2 DASH determines initial and ongoing eligibility for RGI and modified units, manages applicants on the wait list, and refers interested applicants to housing providers for RGI and modified unit vacancies.

2.3 The DASH wait list is vacancy driven. Applicants securely log in to the [DASH Vacancies Site](http://www.durham.ca/dash) at www.durham.ca/dash to view and express interest in RGI and modified unit vacancies that meet their needs and preferences.

2.4 DASH applicants can also express interest in portable housing benefits and affordable housing vacancies posted to the site.

3. Previous Reports and Decisions

3.1 Report #2020-SS-6 2019 Durham Access to Social Housing (DASH) Wait List Statistics.

4. Overview of DASH Wait List

4.1 At the end of 2020, there were 8,516 low income applicants on the DASH wait list for RGI units, and an additional 95 applicants for modified units.

4.2 There were 329 applicants with Special Priority (SPP) status on the DASH wait list, giving them first access to available units. SPP is a provincially mandated priority for victims of human trafficking or family violence, where the applicant intends to permanently separate from an abusive family member with whom they are residing.

4.3 The following table sets out the types of applicants and their priority status on the DASH wait list:

Table 1
Households on DASH Wait List at December 31, 2020

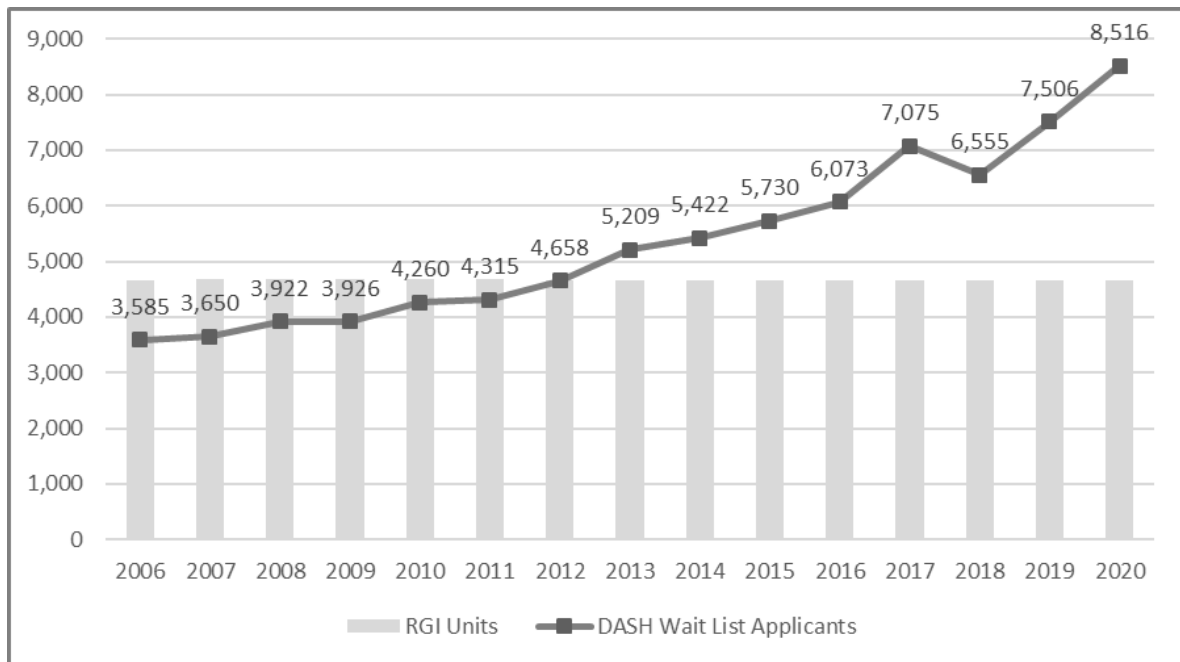
Priority	Seniors	Singles	Couples	Families	Total
No Priority	2,252	2,159	106	3,670	8,187
Special Priority (SPP)	11	93	0	225	329
Critical Priority ¹	0	0	0	0	0
RGI Total	2,263	2,252	106	3,895	8,516
Modified Total	39	29	6	21	95

4.4 There are an additional 678 applicants on the DASH wait list who currently live in an RGI unit in Durham and are requesting a transfer to a different community housing property in Durham; 93 of these applicants (almost 14 per cent) are required to transfer because they are living in a unit that is too large for their household (overhoused). In 2020, 25 DASH applicants were transferred to another unit in Durham.

¹ Critical priority – local priority for applicants with extraordinary and unusual costs that make the payment of market rent unreasonable. Critical Priority is granted in exceptional circumstances and ranks below SPP.

4.5 Although the RGI wait list has more than doubled since 2006, the number of available RGI units has remained relatively stagnant.

**Table 2
DASH Wait List 2006-2020**



4.6 Low vacancy rates and an extremely limited number of affordable options in the private rental market have contributed to the growing number of low-income applicants seeking RGI in Durham Region.

4.7 RGI and modified housing applicants may be on multiple wait lists across Ontario, including the DASH wait list. Since 2006, the percentage of applicants living outside of Durham has been steadily increasing. Currently 36 per cent of DASH applicants (3,069) live outside of Durham. Under the HSA, the Region must allow eligible non-resident applicants on the DASH wait list and cannot discriminate against SPP applicants who live outside of Durham.

4.8 Almost 70 per cent of DASH applicants on the wait list are already housed, mostly as renters, although accommodation is generally not affordable. About 22 per cent are provisionally accommodated, meaning they live in temporary accommodation or lack security of tenure (e.g. staying temporarily with friends or family) and have no protections under the Residential Tenancies Act (RTA). Less than 7 per cent of applicants are residing in emergency shelters or are currently unsheltered (e.g. living rough/on the street).²

² Figures do not add to 100 per cent because current accommodation information was not provided by all applicants.

- 4.9 About 14 per cent of applicants on the wait list are already receiving financial housing assistance, including 4 per cent receiving temporary benefits that will likely expire before they are offered a unit through DASH. About 8 per cent are already receiving RGI or other housing subsidy outside of Durham.
- 4.10 Most applicants on the wait list continue to struggle to find affordable accommodation in the private market. About 73 per cent of DASH applicants are on fixed income (29 per cent ODSP, 25 per cent Ontario Works and 19 per cent Old Age Security and other seniors' pensions) and average income is in the lowest tenth percentile in Durham for all household types (singles, families, seniors).

5. DASH Applicants Housed or Assisted

- 5.1 In 2020, only 201 RGI and modified units became available in community housing. This represents a sharp decrease in turnover from 2019 when 275 applicants were housed from the DASH wait list. This is likely due to the COVID-19 outbreak, which delayed move-outs and the filling of vacancies at many community housing properties.
- 5.2 In addition to the 201 DASH wait list applicants housed in 2020, 205 applicants were removed from the wait list because they were granted a portable housing benefit – i.e. the Durham Portable Housing Benefit (Durham PHB), the Provincially-funded Canada-Ontario Housing Benefit (COHB) or Portable Housing Benefit-Special Priority Policy (PHB-SPP)³. Unlike RGI in community housing, portable housing benefits are not tied to a specific unit. People can use the Durham PHB to live anywhere in Durham, and the COHB or PHB-SPP to live anywhere in Ontario.
- 5.3 Average wait times for RGI vary according to priority on the wait list, household size, household type (i.e. seniors, singles, families), applicant preference and turnover of units at specific community housing properties or in area municipalities – making future wait times difficult to predict. On average, non-priority non-senior applicants housed in 2020 had been on the wait list for about 10 years, senior applicants for just under 7 years, and priority applicants for about one year.
- 5.4 The following table illustrates the number of applicants removed from the wait list in 2020 because they were housed in an RGI or modified unit, or because they were otherwise provided financial housing assistance.

³ The Canada-Ontario Housing Benefit (COHB) replaced the Portable Housing Benefit-Special Priority Policy (PHB-SPP) effective April 1, 2020.

**Table 3
DASH Assisted Applicants - 2020**

	Seniors	Singles	Couples	Families	Total
Housed	80	23	2	96	201
RGI units – chronological	59	2	0	8	69
RGI units – special priority (SPP)	18	10	2	83	113
RGI units – critical priority	0	1	0	0	1
Modified and Supportive units	3	10	0	5	18
Portable Housing Benefit (PHB)	31	64	0	90	205
Durham PHB	0	14	0	6	20
COHB	31	56	0	78	165
PHB-SPP	0	8	0	12	20
Total Assisted Households Removed from DASH	111	87	2	186	406

- 5.5 About 47 per cent of the applicants housed in 2020, moved into mandated units for seniors or people requiring accessibility modifications or supports. A further 47 per cent were offered to SPP applicants, although they represent only about 4 per cent of the total DASH wait list.
- 5.6 Non-senior applicants represent more than 73 per cent of the DASH wait list (6,253 applicants), and most are chronological applicants without SPP (5,935 applicants). Despite being the largest cohort on the DASH wait list, only 10 non-senior applicants were housed in an RGI unit without priority status in 2020 (2 singles and 8 families).
- 5.7 In contrast, almost 68 per cent of the Durham PHB and COHBs granted in 2020 (185 in total) went to non-senior applicants without SPP status on the wait list. These benefits were targeted to youth, people with developmental disabilities, large families, and people who were homeless or at risk of homelessness – who may otherwise never have received an offer of housing.
- 5.8 About 30 per cent of applicants housed in 2020 previously lived outside of Durham, whereas only 3 per cent of Durham PHB and COHB recipients were from outside the Region. Durham PHB recipients must secure accommodation in Durham before they receive a benefit, and COHB applicants are not selected in accordance with HSA priority rules, meaning Durham residents can be targeted.

5.9 The Durham Rent Supplement program provides RGI for 35 households in the private market. In 2020, there was no turnover in the program, meaning no new applicants were housed. This Regional program is not required to follow provincially legislated priority rules, enabling the Region to better meet the needs of people in Durham who are homeless or at risk of homelessness, as well as other locally identified priorities per At Home in Durham, the Durham Housing Plan 2014-2024.

6. Relationship to Strategic Plan

6.1 This report aligns with the strategic goal of service excellence in the Durham Region Strategic Plan.

7. Conclusion

7.1 At the end of 2020, there were 8,516 households on the Durham Access to Social Housing (DASH) wait list for rent-geared-to-income (RGI) units, and an additional 95 applicants requesting modified or accessible housing.

7.2 The amount of community housing in Durham Region is insufficient to meet the needs of applicants on the DASH wait list. This is especially true for single non-senior applicants who have the longest wait times and the least number of housing options.

7.3 Most low-income applicants, including applicants who are homeless or at risk of homelessness, will continue to be displaced by incoming special priority (SPP) applicants who are provincially mandated to have the highest priority on the wait list.

7.4 Regional programs like the Durham Rent Supplement and Durham Portable Housing Benefit (Durham PHB) programs ease some of this pressure. However, the success of these benefits is hindered by the low turnover in the small number of benefits that are available, as well as larger rental housing pressures in the private market in Durham – high average market rents in relation to low incomes, limited supply and availability of purpose-built market rental housing, and low vacancy rates.

7.5 In order to address the goals of At Home in Durham, the Durham Housing Plan 2014-2024, the Region needs to both invest in the short term through financial housing assistance programs like the Durham Rent Supplement and/or Durham PHB, and over the long term through the preservation of existing community housing and a significant increase in the supply of affordable and community housing.

Respectfully submitted,

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

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



The Regional Municipality of Durham Report

To: Health and Social Services Committee
From: Commissioner of Social Services
Report: #2021-SS-3
Date: March 4, 2021

Subject:

End of Mortgage Service Manager Task Force Recommendations

Recommendation:

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

- A) That Regional Council endorse the End of Mortgage Service Manager Task Force position paper, Municipal Recommendations to Continue Investing in Local Housing and Homelessness System and its recommendations and priorities;
 - B) That a copy of this report be forwarded to the Minister of Municipal Affairs and Housing and local Members of Provincial Parliament (MPPs).
-

Report:

1. Purpose

- 1.1 The purpose of this report is to provide an overview of the End of Mortgage (EOM) Task Force position paper, Municipal Recommendations to Continue Investing in Local Housing and Homelessness System (Attachment #1) and seek endorsement by Regional Council for its approach and priorities.

2. Background

- 2.1 At Home in Durham, the Durham Housing Plan 2014-2024 and the Region of Durham's (Durham) Master Housing Strategy both recognize that community housing is a vital component of Durham's housing system. Sustained capital funding is needed to ensure these publicly funded assets are maintained in a good state of repair to ensure access to affordable, high-quality housing.

- 2.2 As community housing providers come to EOM, new strategies are needed to preserve and modernize community housing – including the reinvestment of funding in an equitable and strategic manner across the whole of the region.
- 2.3 The EOM Task Force was convened in March 2020 to develop guiding principles and a recommended approach for managing the savings created when community housing providers reach EOM.
- 2.4 The Task Force was made up of representatives of service managers across Ontario, including Durham, as well as representatives of the Ontario Municipal Social Services Association (OMSSA) and the Association of Municipalities of Ontario (AMO).
- 2.5 In September 2020, the Task Force released its position paper, Municipal Recommendations to Continue Investing in Local Housing and Homelessness System. Key findings of the position paper are:
 - a. When community housing providers' mortgages end, the mortgage subsidy savings total more than \$10 billion over 40 years, based on the modelling conducted for 28 service managers in the Task Force's sample.
 - b. Continuing to provide mortgage subsidies after mortgages end will overfund community housing providers by an estimated \$3.6 billion over a 40-year period.
- 2.6 The Task Force position paper recommends that each service manager retain its mortgage subsidy savings and have the flexibility to reinvest them into local housing and homelessness systems in line with local needs and strategic housing priorities.
- 2.7 The Task Force recommendations align with the objectives of At Home in Durham and the Master Housing Strategy.
- 2.8 The Task Force position paper was reviewed by Urban CMSM Commissioners, OMSSA's 47 Leads, Housing Services Corporation 47 Housing Leads and Ontario Regional and Single Tier Treasurers. The position paper was endorsed by the OMSSA Board on October 28, 2020.

3. Previous Reports and Decisions

- 3.1 Report #2014-J-16 At Home in Durham, the Durham Housing Plan 2014-2024 – commits to strengthening the community housing sector as part of its goal to promote strong and vibrant neighbourhoods.
- 3.2 Report #2017-COW-257 2018 Regional Social Housing Servicing and Financing Study – reallocation of mortgage subsidy savings at EOM.
- 3.3 Report #2019-COW-25, At Home in Durham, Five Year Review – commits to significant progress in the regeneration of community housing.

3.4 Report #2020-COW-27 Master Housing Strategy – supports the preservation and modernization of community housing, including opportunities for more flexible partnerships and support for capital needs.

4. Task Force Recommendations and Priorities

4.1 The Task Force affirms that service managers are best positioned to invest, plan and manage available resources to sustain community housing and address other local housing priorities across the whole of their service areas.

4.2 The Task Force position paper recommends that each service manager retain its property tax-funded mortgage subsidy savings at EOM, and have the flexibility to reinvest them into local housing and homelessness systems based on local needs under the following priorities:

- a. **Priority 1:** Address unfunded capital needs through service agreements with housing providers to keep buildings in a good state of repair for current and future residents as set out in local 10-year housing and homelessness plans.
- b. **Priority 2:** Manage other housing and homelessness pressures identified in local 10-year housing and homelessness plans or other strategic plans, such as increasing and redeveloping the supply of affordable housing or enhancing homelessness-related supports.
- c. **Priority 3:** Fund other municipal pressures, provided all housing needs are met as identified by each service manager’s strategic plans.

4.3 This approach balances the interests of service managers and housing providers. It addresses the significant capital needs of community housing providers without compromising the ability of service managers to determine how municipal funding is allocated to meet the larger housing needs and priorities of their communities and the objectives of local housing and homelessness plans, like At Home in Durham.

5. Part VII Housing Providers

5.1 As the service manager, Durham is responsible for the funding and administration of 36 housing providers across the region, including 33 housing providers under Part VII of the Housing Service Act (HSA) – i.e. Part VII housing providers. Part VII providers operate 4,027 community housing units across the region, of which 2,603 are rent-geared-to-income (RGI) units included under the Durham’s legislated service level standard of 4,446 units.

5.2 Funding for these Part VII housing providers is set out in Ontario Regulation 369/11 and subsidies include the cost of the mortgage for the property. Funding comes primarily from the municipal tax base.

5.3 As these mortgages come to an end, the Region continues to be responsible for funding and the Part VII housing provider continues to operate under the HSA in perpetuity.

- 5.4 At EOM, the mortgage payments included in the funding formula will be zero and service managers' funding commitments will be reduced. The estimated reduction in funding as a result of the paid off mortgages was about \$10.4 billion across 28 service areas according to the Task Force position paper.
- 5.5 Part VII housing providers and their sector organizations have advocated that these property tax-funded mortgage subsidy savings continue to flow to housing providers to meet their individual operational, capital and redevelopment needs. This would result in overfunding of individual housing providers at the potential expense of more efficient or higher priority investment in broader housing and homelessness issues across the service area. The housing providers sector's approach is not currently supported under the HSA.
- 5.6 The Task Force estimates the cost of underfunded capital repairs at about \$3.8 billion across Ontario. If the sector's approach is supported in future regulations, service managers would overfund housing providers by about \$3.6 billion over a 40-year period in excess of currently forecasted capital needs.
- 5.7 In Durham, the first Part VII housing provider mortgage ended in October 2017. At that time, Regional Council directed that the annual subsidy savings of about \$250,000 be utilized to provide approximately 30 additional RGI subsidies for applicants on the Durham Access to Social Housing (DASH) wait list. Regional Council would consider future case-by case action plans as other housing providers reached EOM (report # 2017-COW-257 2018 Regional Social Housing Servicing and Financing Study).
- 5.8 Future subsidy savings resulting from mortgage maturities can be similarly reinvested in community and affordable housing to address Regional priorities set out in At Home in Durham and the Master Housing Plan without increasing Regional funding commitments.

6. Protecting Tenants and Strengthening Community Housing Act

- 6.1 In July 2020, the Protecting Tenants and Strengthening Community Housing Act amended the Housing Services Act (HSA) to streamline the legislative framework for community housing after mortgages end. The legislative amendments are broad and enabling, with details to be set out in future regulations.
- 6.2 Under the streamlined framework, existing and new community housing providers would be able to enter into new service agreements with service managers under a new Part VII.1 of the HSA. Current Part VII housing providers could negotiate an exit agreement with the service manager, continue to operate as a Part VII provider under the HSA, or enter into a new agreement with the service manager to operate as a Part VII.1 housing provider.
- 6.3 The Ministry of Municipal Affairs and Housing (MMAH) has committed to working with service managers and other sector partners to develop proposed regulations

setting out the details on how the new legislative framework would work on the ground in communities.

- 6.4 As the primary funders of community housing, it is critical that service managers advocate for a customized approach to new agreements and funding arrangements with these Part VII.1 housing providers that addresses both their sustainability and that of the larger housing system, without overfunding individual providers.

7. Financial Implications

- 7.1 The approved 2021 Business Plans and Budgets include property tax funding of \$26.5 million for Part VII community housing providers' mortgage payments of principal and interest. The annual amount of funding required will fluctuate as interest rates change based on the renegotiation of mortgages but will eventually be reduced as the mortgages mature. The last mortgages for Durham community housing providers will mature in 2031.
- 7.2 Mortgage subsidy savings in Durham will be realized incrementally as the remaining Part VII mortgages end between 2021 and 2031. Part VII mortgage principal and interest will decrease from \$26.5 million per year in 2021 to \$174,329 in 2031. In total, the mortgage subsidy savings in Durham from the principal and interest payments will be more than \$167 million by the time the last Part VII housing provider's mortgage matures. These future subsidy savings can be reinvested in community and affordable housing to address Regional priorities set out in At Home in Durham and the Master Housing Plan without increasing Regional funding commitments.

8. Relationship to Strategic Plan

- 8.1 This report aligns with the strategic goal of Social Investment in the Durham Region Strategic Plan and the priority to revitalize community housing and improve housing choice, affordability and sustainability.

9. Conclusion

- 9.1 Community housing is an essential component of affordable housing in Durham. Sustained capital funding is needed to ensure these publicly funded assets are maintained in a good state of repair.
- 9.2 Reinvestment of mortgage subsidy savings in line with Regional priorities is critical to realizing the objectives of At Home in Durham, the Durham Housing Plan 2014-2024 and the Master Housing Strategy.
- 9.3 Community housing providers and their sector associations are advocating that housing providers retain property tax-funded mortgage subsidy savings as their mortgages come to an end. This would result in overfunding of individual housing providers beyond their current forecasted capital needs of \$3.6 billion across

Ontario – at the expense of investment in broader housing and homelessness issues across the service area.

- 9.4 The EOM Task Force position paper, Municipal Recommendations to Continue Investing in Local Housing and Homelessness System, recommends that each service manager retain its property tax-funded mortgage subsidy savings at EOM, and have the flexibility to reinvest them into local housing and homelessness systems based on local needs, including capital needs of community housing providers.
- 9.5 The Task Force’s recommended approach is flexible, considers local context, provides budget predictability and results in no additional costs to service managers. It is aligned with the strategic direction of At Home in Durham and the objectives of the Master Housing Strategy.
- 9.6 It is critical that service managers, like the Region of Durham, advocate for such an approach as the Province consults on regulatory changes to support the new legislative framework for community housing providers at the end of mortgages.
- 9.7 This report has been reviewed by the Finance Department and the Commissioner of Finance concurs with the recommendations and findings of this report.

10. Attachments

Attachment #1: End of Mortgage (EOM) Service Manager Task Force position paper, Municipal Recommendations to Continue Investing in Local Housing and Homelessness System

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

Sustaining and Investing in Community Housing: An End of Mortgage Position Paper

Municipal Recommendations to Continue Investing in Local Housing and Homelessness Systems

September 2020

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1. EXECUTIVE SUMMARY

The community housing sector in Ontario is transforming. The *Protecting Tenants and Strengthening Community Housing Act, 2020* introduces a number of future changes to the *Housing Services Act, 2011* (HSA) and its regulations that will significantly change the relationship between housing providers designated under Part VII of the HSA and Service Managers.

Supply is not meeting demand; infrastructure is aging and in need of significant capital repairs; waiting lists are growing with more residents struggling with housing affordability and complex needs. In their provincially-designated role as Service Managers for housing since early 2000, Consolidated Municipal Service Managers (CMSMs) and District Social Service Administration Boards (DSSABs)¹ have been on the front lines of these housing challenges in their local communities.

In Ontario, there are approximately 1,475 housing providers designated under Part VII of the HSA (Part VII housing providers). Over the next decade, the mortgages of these housing providers come to an end. The amount of funding allocated to housing providers is prescribed through a provincially-mandated funding formula in the HSA regulations, and funded through the municipal tax base. When the mortgages are paid off, municipalities should realize over \$10 billion in reduced mortgage subsidy costs over the next 40 years. Service Managers provide an annual subsidy for housing providers' operating and mortgage costs, as well as rent-gear-to-income and property tax funding. When the mortgage ends there is no need to continue providing a mortgage subsidy as the housing provider is no longer incurring any mortgage costs. This reduction in subsidy costs related to the administration of HSA related program costs is often referred to as "mortgage savings" by housing providers and Service Managers.

Housing sector associations are advocating for changes to permit housing providers to use property tax-funded mortgage savings to meet their individual operational, capital and redevelopment needs. If agreed to by the Province of Ontario, this advocacy position would overfund housing providers by billions of municipal tax dollars, providing funding well beyond the level needed to meet their operational and capital needs. This advocacy position also results in a significant opportunity lost for Service Managers to address growing wait lists and local housing and homelessness needs.

It is crucial that any changes to the HSA funding model, as a result of the *Protecting Tenants and Strengthening Community Housing Act*, permit municipalities to redirect mortgage savings to ensure publicly-funded community housing assets remain in a good state of repair, as well as to invest in new supply, programs and services in line with each Service Manager's 10-year housing and homelessness plan. This includes providing capital funding and other assistance to Part VII housing providers.

Service Managers are accountable to taxpayers through their local housing and homelessness plans, understand their local housing needs, and are the level of government legislated to administer the entire community housing and homelessness system. Decisions on how municipal mortgage savings are reinvested in the housing system must be made by the municipal councils who fund the system and are best positioned to respond to local challenges and priorities, rather than by individual community housing provider boards. If community housing providers are permitted to retain municipal mortgage

¹ Both CMSMs and DSSABs will be known as Service Managers for the purposes of this paper.

savings, then the decision on how savings are reinvested will be made by individual community housing boards. Under the current HSA regulations, service managers retain these savings and may reinvest them in line with their housing and homelessness plans. To ensure a holistic approach to the overall housing and homelessness system, new HSA regulations should not prescribe how municipal mortgage savings are treated and instead continue to leave these decisions to the sole discretion of Service Managers, and new funding arrangements should help to sustain the housing system without overfunding individual community housing providers.

Service Managers recommend that decisions related to municipal mortgage savings must be made by the municipal councils who fund the system. It is recommended that each Service Manager retain the municipal tax savings realized in their service area once mortgages come to an end, and have flexibility to reinvest mortgage savings into the Service Manager's local housing and homelessness systems under the following priorities:

- Priority 1** Address unfunded capital needs through service agreements with housing providers to keep buildings in a good state of repair for current and future residents as set out in local 10-year housing and homelessness plans
- Priority 2** Manage other housing and homelessness pressures identified in local 10-year housing and homelessness plans or other strategic plans, such as increasing and redeveloping the supply of affordable housing or enhancing homelessness-related supports
- Priority 3** Fund other municipal pressures, provided all housing needs are met as identified by each Service Manager's strategic plans

Keeping the savings in the housing system at the Service Manager level will allow existing publicly-funded community housing to be preserved, while also enabling reinvestment that advances local housing goals without overfunding individual housing providers and ensuring there is no additional financial burden on municipal taxpayers. This recommended approach addresses the significant community housing capital repair needs, while advancing critical housing and homelessness initiatives to help residents find and keep appropriate housing they can afford, while respecting the municipal role in funding and planning for the community housing system.

2. BACKGROUND

Housing is a fundamental need. It supports positive health and social outcomes and connects residents to the economy, transportation systems and community services. However, challenges such as rising housing costs and limited rental housing availability impact people's ability to find housing that meets their needs. For households living with low income, the high cost of private market housing may lead to housing instability or homelessness, while the supply of community housing is unable to meet demand or requires substantial capital repairs. As a result of these ongoing housing challenges, Ontario has one of the largest subsidized housing wait lists in the country with over 480,000 people waiting as of December 2016.² The number of households waiting for subsidized housing continues to grow each year.

Service Managers are responsible for funding and administration of community housing

Both the Province and Service Managers have an important role in addressing Ontario's community housing needs. The Province of Ontario establishes the legislative framework under the HSA for community housing, homelessness services and many related funding frameworks and programs. Service Managers are responsible for planning and managing housing and homelessness³, including the funding and administration of community and affordable housing. Ontario municipalities are the largest contributors of funding for local housing and homelessness services.

When responsibility for funding and administration of community housing was transferred to Service Managers from the province in the early 2000s, the program transfer did not include adequate financial reserves to address both current and future capital needs. As buildings continue to age, capital repair needs continue to grow. As a result of the transfer, municipalities were tasked with developing programs and financial solutions to maintain an underfunded community housing system. These challenges persist today. Community housing is an essential part of the housing and homelessness system, and it is critical to have a sustainable model that funds both operational and capital repairs needs so residents have access to safe, high-quality housing.

The municipal tax base covers the majority of community housing costs

In Ontario, there are approximately 1,475 housing providers under Part VII of the *Housing Services Act, 2011* (Part VII housing providers). The HSA outlines the operating framework and funding formula, and sets out the current obligations for both housing providers and Service Managers. Funding for Part VII providers comes primarily from the municipal tax base. Over the next decade, the community housing sector will experience significant change as the mortgages of these housing providers come to an end.

As primary funders of community housing, Service Managers provide an annual subsidy for housing providers' operating and mortgage costs, as well as rent-geared-to-income and property tax funding. As the mortgages of Part VII housing providers come to an end, Service Managers will realise reduced subsidy costs. Housing sector associations are advocating for changes to permit housing providers to

² Office of the Auditor General of Ontario. (2017). Social and Affordable Housing. Retrieved from https://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf

³ OMSSA. (2020). Human Services in Ontario. Retrieved from <https://www.omssa.com/human-services.php>

use property tax-funded mortgage savings to meet their individual operational, capital and redevelopment needs. However, this approach is not supported under the current HSA funding model, and dismisses the significant investment from the municipal tax base needed to support the larger housing system.

The HSA does not prescribe an end date for Service Manager and Part VII housing provider obligations after mortgages are paid off. The Service Manager continues to be responsible for funding in accordance with the HSA funding model and housing providers' obligations under the HSA continue in perpetuity. As long as community housing providers continue to operate as Part VII providers, the funding model should remain unchanged and any mortgage savings realized should be retained by the Service Manager.

Pending legislative and regulatory changes will impact the relationship between Service Managers and current Part VII housing providers

The *Protecting Tenants and Strengthening Community Housing Act, 2020* amends the HSA to build on the provincial Community Housing Renewal Strategy. It introduces future legislative and regulatory changes to the HSA that will significantly change the relationship between housing providers designated under Part VII of the HSA and Service Managers.

Under the amended legislation, Service Managers may enter into new service agreements with individual housing providers that may include operating obligations for the housing provider, funding and/or other incentives from the Service Manager or other levels of government. The proposed HSA changes seem to permit housing providers to either remain a designated Part VII provider under the current HSA framework and funding model, or become a Part VII.1 provider pursuant to a new agreement with the Service Manager. Criteria for these agreements will be prescribed in regulations, and should provide service managers the flexibility to customize agreements and funding arrangements with individual community housing providers to both provide for their sustainability of that of the larger housing system.

By enacting an outcomes-based framework, Service Managers can meet the needs of Part VII providers under the current funding model and Part VII.1 housing providers under flexible and innovative agreements without prescriptive provincial regulations and increased service manager costs. As the primary funders of community housing and a responsible, fiscally prudent order of government, municipal Service Managers must be enabled to negotiate financial incentives with individual housing providers through voluntary agreements and to reallocate mortgage savings across the whole of the housing system to address local needs and meet provincially legislated service levels.

10-year housing and homelessness plans ensure Service Managers are achieving outcomes

Under the HSA, the Province sets the framework for Service Managers to provide integrated local planning to address housing affordability, coordination of homelessness services and related supports, and homelessness prevention. Through their 10-year housing and homelessness plans, Services Managers address matters of provincial interest set out in the Ontario Provincial Policy Statement and work towards meeting the Provincial vision for housing. Engaging and sustaining non-profit and co-

operative housing corporations and ensuring appropriate accountability for public funding are key matters of provincial interest to be addressed in local housing and homelessness systems.

Local housing and homelessness plans define the goals and actions a Service Manager will take to meet the needs of their residents, local community, community housing providers, and the private market. Service Managers do this through partnerships, coordination and prudent financial management. The goals established in local 10-year plans guide investment decisions, define areas of priorities and establish partnerships to meet local need.

The proposed HSA changes should support the reinvestment of mortgage savings across the whole of a Service Manager's portfolio – providing an opportunity to better achieve the outcomes of 10-year housing and homelessness plans, including the sustainability of non-profit and co-operative community housing providers. With the support of the federal and provincial governments, Service Managers will be better positioned to realize the goals and actions in their 10-year plans by aligning investment to local needs as mortgage subsidy costs are reduced.

Service Managers across Ontario were engaged in the development of the principles and recommendation presented in this paper

The recommendations in this paper were developed by the End of Mortgage (EOM) Service Manager Task Force (see Appendix A for membership). The recommendations and principles in this paper were reviewed by:

- Urban CMSM Commissioners
- OMSSA's 47 Leads
- Housing Services Corporation 47 Housing Leads
- Ontario Regional and Single Tier Treasurers

3. KEY FINDINGS

When housing providers' mortgages end, the mortgage savings total more than \$10 billion over 40 years

To determine the magnitude of the opportunity when mortgages are paid off, KPMG was commissioned to review a model calculating mortgage savings and capital needs and to consolidate data submitted by 28 Service Managers. The consolidated data represented approximately 51,000 Part VII community housing units. The results show that total mortgage savings over 40 years for these 28 Service Managers would be approximately \$10.4 billion. As there are 19 additional Service Managers with Part VII housing providers in Ontario, the actual savings may be significantly greater.

As many Part VII housing providers will have their mortgages paid off within the next 10 years, it is crucial to proactively consider opportunities that enable Service Managers to continue investing in the sector to support the objectives of local housing and homelessness plans, including the sustainability of community housing and new agreements with Part VII.1 providers.

Continuing to provide mortgage subsidies after mortgages end will overfund housing providers by \$3.6 billion over a 40-year period

As the Province committed to reviewing the impact of mortgage maturity on funding for Part VII housing providers, sector associations – Ontario Non-Profit Housing Association and the Co-operative Housing Federation – are advocating for specific changes. Sector associations are asking the Province to change the funding formula to effectively require Service Managers to continue providing a mortgage subsidy even though housing providers no longer have mortgage costs. Associations are advocating for this change so individual housing providers can use the mortgage subsidy to pay for unfunded capital repair needs and invest in new supply.

Maintaining a good state of repair is crucial to sustaining publicly-funded community housing assets, and inadequate capital repair funding is a concern shared by housing providers and Service Managers.

The approach recommended by sector associations is not supported in the HSA and will result in significant overfunding to individual housing providers. The model based on data from 28 Service Managers shows that housing providers need \$3.8 billion to meet all capital repairs over the next 40 years. If the approach recommended by sector associations is implemented, as a group housing providers would be eligible to receive \$7.4 billion of the \$10.4 billion in potential mortgage savings. This would be enough to meet all their capital repair needs of \$3.8 billion and still result in over-funding of \$3.6 billion over 40 years.

As individual housing providers are in different financial positions and have varying capital needs, some housing providers would receive a funding surplus, while others may not receive enough to adequately maintain their property. This would require more municipal investment in both operating and capital needs in order to maintain buildings in a good state of repair, creating an imbalance among housing providers and a fractured system with little oversight ability from the Service Manager.

In some cases, mortgage savings will not be realized before capital repair funding is required. As responsible administrators, Service Managers will assess other options to support housing providers keep their buildings in a good state of repair.

Opportunity over 40 years:

- **\$3.8 billion reallocated to unfunded capital repairs**
- **\$6.6 billion reinvested in the housing and homelessness system**

Risk over 40 years:

- **\$3.6 billion in potential over-funding of housing providers**

4. RECOMMENDATIONS

Service Managers are recommending an approach to manage the mortgage savings that considers community housing providers' capital repair needs without overfunding and ensuring that housing needs are addressed fairly and equitably across the service area and not just in individual projects.

The recommended approach to managing mortgage savings supports housing providers and enables Service Managers to better leverage available resources

The savings created when housing providers' mortgages come to an end provides an opportunity for Service Managers to support housing providers and leverage available funding to continue investing strategically in their local housing and homelessness systems, including the operating and capital needs of Part VII and Part VII.1 housing providers. The EOM Task Force developed guiding principles and a recommended approach for managing mortgage savings created when Part VII housing projects' mortgages are paid off. The EOM Task Force was made up of representatives of Service Managers across Ontario, including representatives from the Ontario Municipal Social Services Association (OMSSA) and the association of Municipalities of Ontario (AMO).

The recommendations establish a consistent approach for managing the property-tax funded mortgage subsidy savings, prevent overfunding and better leverage resources by addressing housing providers' capital needs across each Service Manager area, as well as additional system pressures. To develop a consistent approach to managing the mortgage savings, the EOM Task Force established the following guiding principles:

1. Service Managers are the primary funders of community housing, and as a level of government, should also be the principal policy maker and work alongside the Province in developing provincial legislation. Policy and regulations should provide greater flexibility and autonomy for Service Managers to address local needs
2. A collective voice among Service Managers is needed to shape provincial legislation and regulations, in consultation with housing providers and sector associations.
3. Community housing is a valuable publicly-funded asset and should be maintained in a good state of repair over the long-term, ensuring residents have access to affordable, high-quality, sustainable housing. An adequate supply of affordable and decent housing benefits the entire community.
4. Community housing providers are critical partners in the housing system and should have autonomy to manage their assets through service agreements and accountability frameworks
5. The approach for managing the subsidy savings when mortgages end, which may include entering into new service agreements with community housing providers, must be flexible, consider local context, provide budget predictability, be supported by data and result in no additional costs to Service Managers

The guiding principles consider the needs of community housing providers, Service Managers, and local housing and homelessness systems. They inform the following recommended approach:

- Each Service Manager retains the savings realized once the mortgages come to an end
- Service Managers have flexibility to reinvest savings into their local housing and homelessness systems under the following priorities:

- Priority 1** Address unfunded capital needs through service agreements with housing providers to keep buildings in a good state of repair for current and future residents, as aligned with local 10-year housing and homelessness plans
- Priority 2** Manage other housing and homelessness pressures identified in local 10-year housing and homelessness plans or other strategic plans, such as increasing and redeveloping the supply of affordable housing or enhancing homelessness-related supports
- Priority 3** Fund other municipal pressures, provided all housing needs are met as identified by each Service Manager’s strategic plans

Future regulations that propose funding or incentives for Part VII.1 projects must be flexible and cannot contemplate any increased costs to the Service Manager

Funding for community housing comes primarily from the municipal tax base. Over time and at the current level of funding, Service Managers should be able to address the capital needs to sustain the system and also address other housing and homelessness needs –but not if housing providers are overfunded under any proposed new funding model for Part VII.1 projects. Provincial regulations should not prescribe how municipal investments and cost savings are used. Each Service Manager must have sole discretion to negotiate financial incentives with individual housing providers through flexible and voluntary agreements. Service Managers will act in good faith as a sector to reinvest mortgage savings following the priorities established in this paper, as consistently as possible and in line with the priorities and targets set out in local housing and homelessness plans.

Achieving housing related outcomes must be a priority of all levels of government

Each order of government has a role to play in addressing the housing supply and affordability crisis in Ontario. All orders of government must work together to ensure residents have adequate, safe, and affordable housing options. Reinvesting mortgage subsidy savings is only one, long-term tool to sustain and grow the community housing sector. Mortgage savings will not be fully realized for decades. Sustained support from senior levels of government is imperative to maintain existing supply and meet the current and future needs of our most vulnerable residents.

5. CONCLUSION

Community housing is a publicly-funded asset and an important component of local housing and homelessness systems, providing affordable housing to thousands of Ontario residents living with low income. Sustained capital funding is needed to ensure these assets are maintained in a good state of repair so current and future residents have access to safe, high-quality housing. Data shows that as Part VII housing providers’ mortgages end, there will be cost savings of more than \$10.4 billion over 40 years. With these savings, Service Managers can address housing providers’ capital repair needs and have more than \$6.6 billion remaining to address other housing and homelessness system needs.

The approach to mortgage subsidy savings recommended by housing sector associations will result in significant overfunding to some individual housing providers. If the approach recommended by sector associations is implemented, housing providers would receive approximately \$3.6 billion in overfunding

over a 40 year period. This approach would impact Service Managers' ability to sustain the system and address other local needs.

Pending legislative and regulatory changes concerning Part VII.1 housing providers should support Service Managers in retaining mortgage subsidy cost savings and permit flexibility in reinvesting these savings to meet the capital needs of the community housing sector, while also addressing larger housing system needs in line with 10-year housing and homelessness plans.

Service Managers are the primary funders of local housing and homelessness services and are best positioned to invest, plan and manage available resources across the whole of their service areas. The guiding principles and recommendation in this paper will better support Service Managers to meet the needs of housing providers and the unique needs of their local communities. The locally-focused approach aligns with the Province's Community Housing Renewal Strategy and the Ontario Provincial Policy Statement to help sustain, repair and grow community housing. In addition, the approach helps Service Managers continue building their housing and homelessness systems so residents can find and keep appropriate housing they can afford. By keeping mortgage savings in the housing system at a Service Manager level, local housing goals can be advanced without overfunding housing providers and ensuring there is no additional financial burden on municipal taxpayers.

APPENDIX A – END OF MORTGAGE (EOM) TASK FORCE MEMBERSHIP AND CONSULTATION PROCESS

The purpose of the EOM Task Force was to develop guiding principles and a recommended approach for managing the savings created when Part VII housing providers' mortgages are paid off. The EOM Task Force was made up of representatives of Service Managers across Ontario, including representatives from OMSSA and AMO. Deb Schlichter was hired to facilitate the EOM Task Force. Materials were also reviewed by City of Toronto - Glenn Courtney, and Julie Western Set, and Thunder Bay DSSAB – Ken Ranta.

Membership includes:

- Gavin Aiston (Ottawa)
- Amy Chang (Peel)
- Jody DeGagne (York)
- Michelle Willson (York)
- Sharon Donald (Muskoka)
- Tom Fortier (Simcoe)
- Jayne Hartley (Halton)
- Beverly Kueper (Durham)
- Roberta Jagoe (Durham)
- Alba Michelucci (Waterloo)
- Sherry White (Waterloo)
- Sophia Minor (Sudbury)
- Jenny Shickluna (Niagara)
- Donna Woiceshyn (Niagara)
- Michael Jacek (AMO)
- Darryl Wolk (OMSSA)
- Deb Schlichter (Consultant)

The recommendations and principles in this paper were reviewed by:

- Urban CMSM Commissioners
- OMSSA's 47 Leads
- Housing Services Corporation 47 Housing Leads
- Ontario Regional and Single Tier Treasurers

At this point in time, this paper has not been reviewed or endorsed by municipal governments and associations that they represent.

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2666



The Regional Municipality of Durham Report

To: Health and Social Services Committee
From: Commissioner of Social Services
Report: #2021-SS-4
Date: March 4, 2021

Subject:

Recovery and Renewal: Ontario's Vision for Social Assistance Transformation

Recommendation:

That the Health and Social Services Committee recommends:

That this report be received for information.

Report:

1. Purpose

1.1 The purpose of this report is to provide Council with an overview of the Province's vision for a renewed Social Assistance system as well as the perceived impacts and potential implications to the delivery of Ontario Works and Employment Supports in the Region of Durham (Durham).

2. Background

2.1 On February 11, 2021, the Ministry of Children, Community and Social Services (MCCSS) published a news release that provided an overview and vision for social assistance in Ontario. More specifically, it was noted that there is an intent to "create an efficient, effective and streamlined social services system that focusses on people, providing them with a range of services and supports to respond to their unique needs and address barriers to success so they can move towards employment and independence".ⁱ

2.2 In Ontario, there are 37 Consolidated Municipal Service Managers (CMSMs) and 10 District Social Services Administration Boards (DSSABs) in areas where no upper-

ⁱ <https://www.ontario.ca/page/recovery-renewal-ontarios-vision-social-assistance-transformation>

tier municipality exists. These Service Managers partner with the Province to fund and deliver programs to the community in the areas of; social assistance (Ontario Works) and employment supports; child care and early years programs; housing and homelessness prevention; and emergency social services.

- 2.3 As one of the 37 CMSM's, the Social Services Department in Durham has an obligation to deliver upon provincial mandates and outcomes for the various programs within this role.

3. Previous Reports and Decisions

- 3.1 2020-INFO-116 Ontario Modernizing Application Process for Social Assistance.

4. Social Assistance Recovery and Renewal

- 4.1 The COVID-19 outbreak and pandemic has shined a light on the vulnerability of the social safety net that many of our community's most financially insecure rely upon.
- 4.2 Further, the pandemic has led to an accelerated economic downturn and subsequent unemployment in sectors that typically employ the clients that we serve through our various social assistance programming. As such, we are encouraged to see that there is a commitment by the Province to renew and re-think how services are aligned and interact at the municipal and provincial levels.

Realigning Roles and Responsibilities

- 4.3 The Ontario Works program itself, can be difficult for clients and staff to navigate through the web of benefits, rules, rates, and legislated requirements. The complexity of the current system "results in confusion, inconsistency, an excessive administrative burden, a lack of transparency, and barriers to exiting social assistance for work."ii
- 4.4 Under the current system, caseworkers spend as much as 70 per cent of their time administering the rules and requirements that exist within the complex benefit structure of Ontario Works, rather than working directly with clients through collaboration to help them achieve their employment goals and financial independence.
- 4.5 A renewed system that realigns the roles of administrative burdens to a more provincial-centralized focus, will allow for better client and community outcomes in the area of poverty reduction and labour market attachment.

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https://www.mcass.gov.on.ca/documents/en/mcass/social/publications/social_assistance_review_final_report.pdf

- 4.6 Within the new vision that has been communicated, the Province has committed to co-developing, with municipal partners, a model where;
- a. People can access supports for life stabilization before and after they qualify to receive social assistance,
 - b. Supports are aligned and integrated across programs and systems, where possible,
 - c. Social assistance is seen as just one of many tools available to help people enhance and improve their quality of life.

Timing of Changes

- 4.7 The Province has communicated a phased-in working vision for social assistance that looks to clarify the realigned responsibilities of municipalities and provincial automation and centralization. Essentially, the roles of each stakeholder will align with an end-goal of human services integration.
- 4.8 During 2021 and 2022, much of the work underway will be ‘learning and testing’ years with multiple pilot projects and evaluation activities taking place across various prototype municipalities.
- 4.9 By the end of 2022, the Province will intend to have reached full consolidation of financial assistance, and by 2024, implement a larger integrated human services model.

Under the Current State (2020-2022):

Provincial delivery responsibilities:

- ODSP program delivery at local offices,
- Intake Benefit Administration Unit – centralized intake for Ontario Works (Durham is a pilot participant)

Municipal delivery responsibilities:

- Financial assistance determination and administration
- Financial controls and back office functions
- Employment supports and services
- Community connection and referral to services and supports

Future State Design (2022-2024):

Provincial delivery responsibilities:

- Centralize financial assistance delivery,
- Financial controls and back office functions that would be suitable to automation.

Municipal delivery responsibilities:

- Life stabilization for Ontario Works recipients and ODSP recipients and non-disabled participants (e.g. needs assessment, service planning, discretionary benefits, etc.),
- Person-centred and connected supports,
- Navigation of community and broader systems (e.g. housing, employment, mental health).

Refer to Attachment #1 for a visual representation of the working vision for social assistance.

Ontario Works and ODSP Program Delivery

- 4.10 The Province has clarified that there are currently no plans to combine the Ontario Works and ODSP programs. It was noted through a ministry Q&A document that these programs remain distinct programs with different policy objectives. Instead, the ministry is realigning the work that is done in both programs along functional lines to enhance effectiveness and efficiency. As noted above, the municipalities will eventually be responsible for life stabilization supports for ODSP recipients and nondisabled ODSP members.
- 4.11 Unfortunately, the Province is not looking to review an increase in social assistance rates, including rent and utility scales. It can be noted that a rate increase could help address the negative impacts related to inflation and the rising costs of living that social assistance clients experience.

Modernizing Employment Services

- 4.12 On February 12, 2019 the government announced its [plan to modernize Ontario's employment services](#) by creating a new service delivery model that integrates social assistance employment services into Employment Ontario. At that time, Service System Managers were selected to plan and deliver more locally responsive employment services starting in three prototype regions (i.e. Peel Region, Hamilton-Niagara, Muskoka-Kawartha region).
- 4.13 Within all three of the prototype areas it should be noted that no municipalities were selected to manage Employment Ontario services.
- 4.14 Staff within the Social Services Department will look to assess the probability and practicality of applying to be a Service System Manager for employment services, when the prototype pilot project is completed, and other regions are invited to apply.

Transition to Life Stabilization Supports

- 4.15 People are most likely to achieve economic and employment success when the rest of their lives are stable. This includes having a safe place to live, their physical and

mental health needs met and feeling connected and supported within their communities.

- 4.16 With the proposed model resulting in a change of responsibilities, municipalities will soon have an opportunity to place increased time and resources into supporting clients to achieve life stabilization outcomes, which ultimately will support broader community health and wellbeing.
- 4.17 In Durham, there are Caseworkers that manage an active caseload of families and singles in receipt of Ontario Works. Referrals may be made to community agencies and support services, depending on the needs and current barriers a client may be experiencing.
- 4.18 In addition to the Caseworker positions, there are also Employment Counsellor positions within the division that work directly with Ontario Works clients that are employment-ready, or requiring education upgrading referrals and supports, etc.
- 4.19 The importance of delivering services to where the client need exists and reducing barriers to financial independence is integral to successful outcomes. As an example, the Backdoor Mission and Ajax Hub models are an integral part of Durham's homelessness support system and directly support outcomes related to Life Stabilization. The hubs provide wrap around support services in one location, minimizing the need for travel and multiple appointments.
- 4.20 Family Services Durham has also contributed to wrap around supports through the establishment of outreach collaborations (virtual, online and in-person) serving working poor and marginalized populations (supporting families, parents, youth).
- 4.21 Staff are anticipating a relatively smooth transition to a municipal delivery model that focuses on 'Life Stabilization' as the intended client outcomes. Existing staffing competencies and complements will support services that help people become employment ready and move towards independence.
- 4.22 Future local planning will involve increased investments in staff education and awareness of broader system supports - leading to comprehensive wrap around services, warm referrals, and partnerships with services outside of Ontario Works. Essentially, supporting people to achieve independence, whether through Ontario Works or something else.

Co-Production and Opportunities for Feedback

- 4.23 The Ministry has stated that they are committed to working collaboratively to co-design throughout the transformation process. This includes stakeholder engagement activities and joint committees and working groups inclusive of both provincial and municipal representatives.
- 4.24 Durham staff have directly participated in provincial and municipal joint working groups over the last few years and have been at the table to provide input and

feedback, from a municipal perspective, to ministry representatives as they develop a system that will meet the needs of social assistance clients. These tables include the Provincial-Municipal Social Assistance and Employment Committee (PMSAEC), PMSAEC subcommittees and the newly established Provincial Municipal Human Services Collaborative (PMHSC).

Client engagement and Communication

- 4.25 The Province will expect local offices (Municipalities) to communicate the changes to clients, with additional information being available on the Ministry's website.
- 4.26 As this is a phased in approach, municipalities will work closely with the province to align and plan communications as they evolve.

5. Financial Implications

- 5.1 As transformation of both employment services and social assistance delivery proceeds, the funding model will evolve and align with the shifts in roles and responsibilities.
- 5.2 A new funding model will be developed that will be attributed to a new performance and accountability framework. This work will take place, utilizing one of the provincial-municipal working committees (PMSAEC subcommittee) and will be co-designed with provincial and municipal partners, for which Durham is represented.
- 5.3 Future budget implications will be addressed through the annual Business Plans and Budget process, with updates to be provided to this Committee and Council when required.

6. Relationship to Strategic Plan

- 6.1 This report aligns with the following strategic goals and priorities in the Durham Region Strategic plan:
 - a. Goal 2 – Community Vitality
 - b. Goal 4 – Social Investment
 - c. Goal 5 – Service Excellence

7. Conclusion

- 7.1 The Province's plan to redesign social assistance through collaboration and co-design is a welcome approach to implementing an overdue and needed reform to the programs that are meant to support our community and, often the most vulnerable residents.
- 7.2 Social Services staff see this as an opportunity to guide and plan a path forward through true partnership with our provincial colleagues in the design and implementation of Social Assistance.

8. Attachments

Attachment #1: **A working vision for social assistance (Placemat)**

Prepared by Jonathan Dixon. Manager, Budgets and Finance, at 905-668-7711, extension 2452.

Respectfully submitted,

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

A working vision for social assistance

Vision:

To create an efficient, effective and streamlined social services system that focuses on people, providing them with a range of services and supports to respond to their unique needs and address barriers to success so they can move towards employment and independence.

How we will realign:

Province

Delivers:

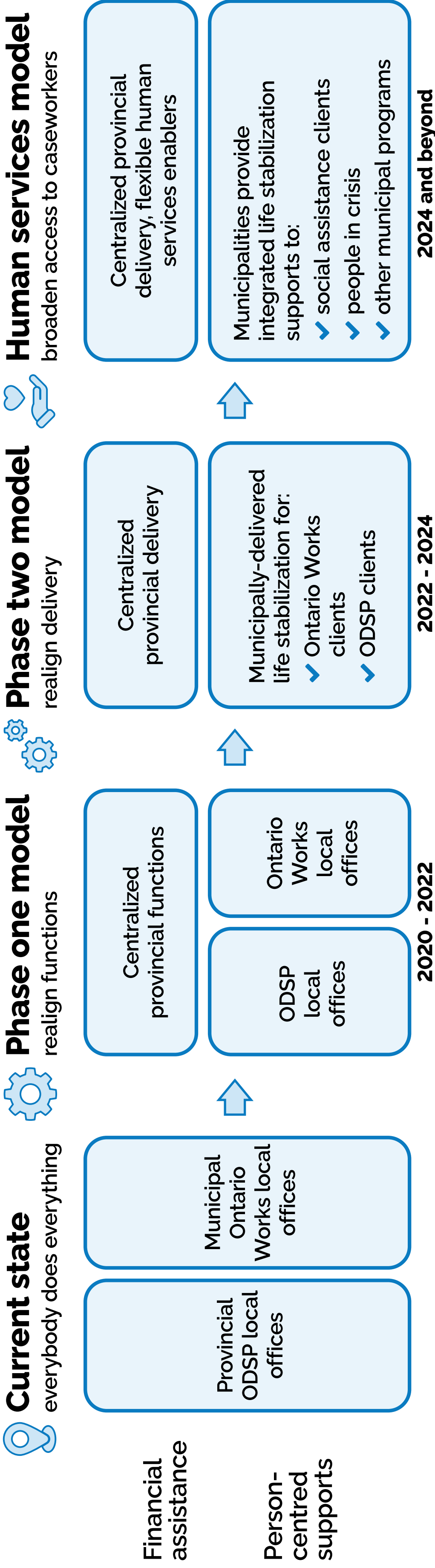
- ✓ Centralized financial assistance
- ✓ Financial controls and back-office functions suited to centralization or automation

Municipalities

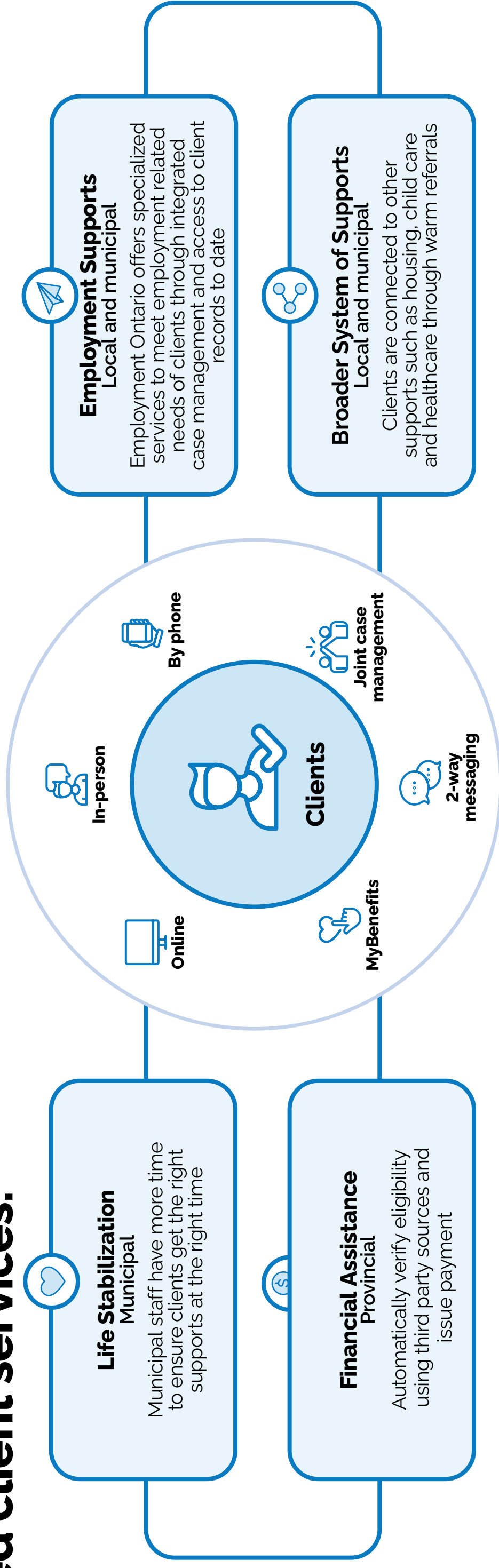
Delivers:

- ✓ Life stabilization – including needs assessment, service planning, warm referrals, discretionary benefits
- ✓ Person-centred, connected supports, and navigation of broader system (e.g., housing, employment, mental health)

How we will evolve over time:



Integrated client services:

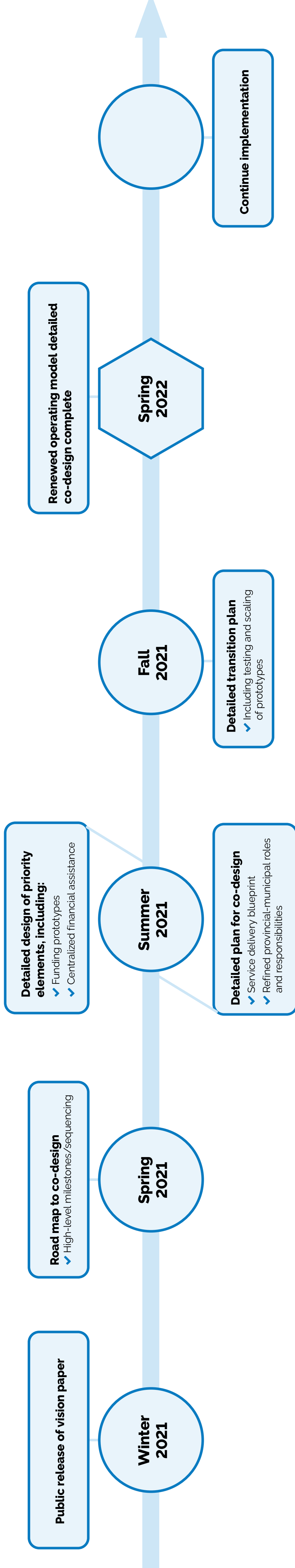


Social assistance: where we're headed

In the short term: co-designing a renewed operating model

Prototype and implement: developing centralized provincial functions, starting with intake, and tools and processes to support life stabilization

Co-design: engaging to design key operating model layers, provincial and municipal functions, principles and processes



In the long term: moving to a human services delivery model

- ✓ In the human services model, benefits like social assistance become "tools" in the caseworker toolbox, as opposed to the other way around
- ✓ Caseworkers are knowledgeable about the broader system of benefits and supports, and can guide people to the supports they need – whether Ontario Works or something else
- ✓ People seeking help are triaged by municipal caseworkers, supported as needed, and potentially diverted from social assistance

