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Report 2024-064

Report Title: National Housing Strategy Funding Interruption

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Approved by: Jennifer Moore, CAO

Council Meeting Date: May 15, 2024

Report Not Considered by

Standing Committee Because:

- Time-sensitive Issue (information received too late for Committee consideration)
- Urgent Matter (issue arose after this month’s Committee meeting)
- Other

- Strategic Plan Priorities:**
- Innovate for Service Excellence
 - Ignite Economic Opportunity
 - Foster a Thriving Community
 - Propel Sustainable Growth
 - Champion a Vibrant Future

Recommendation

Whereas there is an unprecedented national housing affordability crisis nationally; and

Whereas there is no for-profit supply-only trickle-down solution to ending the national housing affordability crisis; and

Whereas substantial investments in ensuring the use of housing for homes are required to help end the national housing affordability crisis; and

Whereas substantial investments in new affordable social housing are required to help end the national housing affordability crisis; and

Whereas substantial investments in revitalizing existing affordable social housing are required to help end the national housing affordability crisis; and

Whereas substantial investments in social support expansions are required to prevent families choosing between housing and other basic necessities of life to help end the national housing affordability crisis; and

Whereas the national housing affordability crisis is most acute in Ontario; and

Whereas unlike most Provinces and Territories in Canada, 47 Service Managers and District Social Service Administration Boards (SM/DSSAB) are responsible for delivering social supports, including housing affordability supports in Ontario; and

Whereas many of these 47 SM/DSSABs in Ontario are larger than many provinces and territories in the country; and

Whereas these 47 SM/DSSABs in Ontario lack the revenue and policy tools and powers of the Provincial and Federal governments to end the housing affordability crisis; and

Whereas any reductions in funding from the Federal and Provincial governments risks the termination of critically needed housing and social supports for some of the most vulnerable across Ontario;

Now Therefore Be It Resolved That County Council, having considered Report 2024-064 'National Housing Strategy Funding Interruption', authorize the Warden to advocate to the Federal and Provincial governments that the funding dispute must be resolved to limit mounting harms to some of Ontario's most vulnerable families; and

Further Be It Resolved That County Council authorize the Warden to send urgent correspondence to the Federal and Provincial Ministers of Housing to confirm that financial support will continue for vulnerable households across Ontario currently in receipt of the Canada-Ontario Housing Benefit prior to May 31, 2024; and

Further Be It Resolved That County Council authorize the Warden to advocate to the Federal and Provincial governments to continue to fund SMs/DSSABs an amount equivalent to the monies under the CMHC-Ontario Bilateral agreement in the National Housing Strategy until a new funding agreement can be reached; and

Further Be It Resolved That County Council authorize the Warden to advocate to the Federal and Provincial governments to establish a trilateral table including the SMs/DSSABs, to negotiate the final 3-year tranche of funding under the National Housing Strategy."

Purpose

The purpose of this report is to seek County Council's support in advocating to the Federal and Provincial government for immediate continuation of the Canada-Ontario Housing Benefit (COHB) support for vulnerable households in Northumberland and across Ontario. In addition, to seek support in advocating for a resolution to the suspension of National Housing Strategy (NHS) funding.

Background

In 2017, the Federal Government announced Canada's 10-year National Housing Strategy to improve housing affordability outcomes for Canadians through the progressive realization of the right to housing.

In 2018, the Federal and Provincial government signed a bilateral agreement under the National Housing Strategy that set out three cost-matched initiatives delivered by the Government of Ontario:

- Canada-Ontario Community Housing Initiative (COCHI) to support the repair and renewal of existing social housing.
- Ontario Priorities Housing Initiative (OPHI) prioritizing the development of new affordable rental.
- Canada-Ontario Housing Benefit (COHB) to provides households with a portable housing benefit for the private housing market.

According to the Financial Accountability Office of Ontario, the Province projects that 209,048 households will receive support from NHS programs by 2027-28. This includes 150,727 households supported by COCHI funding, 7,698 supported by OPHI funding and 50,623 supported by the COHB program.

The NHS agreement will also preserve federal funding for 131,067 social housing units in Ontario that was set to expire. In addition, the province must add 19,660 new rent-assisted units in social housing by 2027-28.

On March 25, 2024, County staff received correspondence from the provincial Minister of Municipal Affairs and Housing that the federal government had paused all NHS funding effective April 1, 2024.

The County has also not received confirmation that the existing 82 households in receipt of COHB currently in Northumberland County will receive benefits after the end of the COHB benefit year on June 30, 2024.

Consultations

Consultations have occurred internally with the Department of Finance and externally with administrative partners of NHS funding including Habitat for Humanity Northumberland and Housing Services Corporation. External consultations have also taken place with Service Managers across the province to coordinate a response to the provincial and federal government.

Legislative Authority / Risk Considerations

Northumberland County is legislated as the Consolidated Municipal Service Manager under the *Housing Services Act, 2011*. Funding that is at risk is funded through the CMHC-Ontario Bilateral Agreement under the NHS.

Discussion / Options

The Federal Government has paused approximately \$357 million in funding for social housing supports for Ontario, effective 1st April 2024, and by extension municipal Service Managers and District Social Services Administration Boards, under the National Housing Strategy (NHS).

The Federal Government is attributing this extraordinary decision to a lack of progress by the Government of Ontario in meeting the targets for building new affordable housing supply required under the CMHC-Ontario bilateral funding agreement.

The Federal Government asserts that Ontario has only met about 6% of the agreed upon supply expansion by year end of 2024-25, meaning 94% of the agreed upon supply, or over 18,000 new units of affordable housing supply, must be created over the next two years. The Federal Government does not believe this is possible.

The Government of Ontario disputes the Federal Government's assertion stating that the Federal Government does not recognize Ontario's calculation of how it is meeting the target for new affordable housing supply under the bilateral agreement.

The Government of Ontario appears to be sidestepping the specific issue of new affordable housing supply by pointing to exceeding the repair of existing affordable housing supply targets under the agreement.

For context, the Government of Ontario has revised its approach to calculating the creation of new market housing supply by including long-term care beds in addition to housing starts, and recently proposing to include retirement homes, student housing, and other institutional living arrangements in reaching its stated target of 1.5 million new homes over the next ten years. Utilizing alternative calculations to satisfy targets is not unprecedented practice.

In short, the Province of Ontario is claiming that the repair of existing affordable housing units is as, or more, important than creating new additional affordable housing and should count towards the Federal government's new affordable housing supply target.

This interruption of funding under the bilateral agreement will result in disruptions to households and programs supported by Canada-Ontario Community Housing Initiative (COCHI), Ontario Priorities Housing Initiative (OPHI), and Canada-Ontario Housing Benefit (COHB).

Of particular concern is that households who are actively receiving COHB assistance are at risk of losing access to critical housing subsidy during this dispute and are at risk of homelessness: municipalities likely must prioritize backstopping these families. This must be addressed prior to the beginning of the new COHB reporting year (June 30, 2024), if not earlier. The Ministry has not yet confirmed if May payments will be impacted. During a housing and homelessness crisis, the impact of this funding loss will be thousands of households across Ontario at imminent risk of homelessness. This is unacceptable and should be rectified immediately by the federal and provincial government.

The Province of Ontario will continue to fund the Homelessness Prevention Program (HPP) and Indigenous Supportive Housing Program (ISHP) for 2024-25 which are independent of the bilateral agreement but has not committed to funding its share of the COCHI, OPHI, and COHB. It has also committed to providing regular updates to the 47 SMs/DSSABs on the status of funding under the Bilateral Agreement.

In Northumberland, this puts 82 households currently in receipt at COHB at risk to lose their subsidy, recipients in receipt of COHB were selected due to their imminent risk, or ongoing experience of homelessness. COHB is jointly funded by the provincial and federal governments and administered fully by the provincial government. Northumberland County does not have any

further contact with COHB recipients after initial referral to the province for support. The approximate annual cost of COHB in Northumberland is \$615,000 or \$51,000 monthly.

In addition to urgent impacts to COHB, Northumberland County will also be required to pause approximately \$1,200,000 of other programs including: Northumberland Renovates, Community Housing Capital Repairs, and contributions to new rental housing development.

Financial Impact

There is no current concrete financial impact as a result, however should this interruption not be resolved there will be a further decision required by County Council in considering options to continue funding this program.

Member Municipality Impacts

N/A

Conclusion / Outcomes

It is recommended that County Council:

- Pass the attached resolution in alignment with Service Managers across Ontario;
- Send urgent correspondence to the provincial and federal Ministers of Housing to confirm that financial support will continue for vulnerable households across Ontario currently in receipt of the Canada-Ontario Housing Benefit prior to May 31, 2024;
- Advocate to the Federal and Provincial governments to continue to fund Service Managers and District Social Services Administrative Boards an amount equivalent to the monies under the CMHC-Ontario Bilateral agreement in the National Housing Strategy until a new funding agreement can be reached; and
- Advocate to the Federal and Provincial governments to establish a trilateral table including the Service Managers and District Social Services Administrative Boards, to negotiate the final 3 year tranche of funding under the National Housing Strategy.”

Attachments

1. March 25, 2024 – Urgent Service Manager Notification – Minister of Municipal Affairs and Housing
2. April 18, 2024 – Service Manager Resolution – Housing Strategic Steering Committee: Interruption to NHS Funding.