

# A Home for Everyone: How we get there together

Recommendations from the Municipal Support of Rental  
Development Technical Table

Housing Strategic Steering Committee  
March 2023

## Contents

Introduction .....	3
The Role of Service Managers .....	5
The Role of Service Managers in Encouraging Rental Development.....	7
What Service Managers Need .....	9
Funding.....	9
Program/Process Improvement .....	11
Education/Awareness Building .....	13
Growth opportunities for Service Managers .....	14
Next Steps.....	16
Concluding Remarks .....	17
Data Appendix.....	18
Method.....	18
Analysis .....	19
Limitations .....	27

Throughout this paper, reference is made to Service Manager funded contributions. We respectfully acknowledge that Service Managers are funded differently from DSSABs, and where reference is made to Service Manager funding it is the intent that this encompasses all municipal funded tax levy investments, including municipal investments in DSSAB budgets.

## Introduction

Ontario's housing crisis is impacting every community in Ontario from the largest urban centres to the small rural centres, and even to the more remote Northern communities. What used to be considered a primarily urban issue, the housing affordability crisis is spanning across the province, employers are struggling to recruit employees that can afford to live in local communities. Tourist communities and other small rural municipalities are facing unprecedented affordability challenges.

To date there have been recommendations made by the Association of Municipalities of Ontario, Ontario's Housing Affordability Task Force, coordination from the Rural Ontario Municipal Association, and recommendations from Indigenous partners. Housing has been a key area of focus for both the provincial and federal governments.

Service Managers understand and recognize housing as a human right and are working diligently to support households to access and maintain housing. The recommendations in this paper will support us getting closer to this goal, but much more work will be required from all levels of government to realize this across the province for all households in need, particularly the most vulnerable in our communities.

The role of municipalities in recent discourse has predominately been focused on the role they can play in creating efficiencies in the planning processes. At the same time, there has been little focus to date on the role the 47 Service Managers have historically played, and continue to play, in supporting the creation of affordable housing in our communities. The impacts of recently announced legislative changes, including Bill 23, have not been considered in this paper, however it should be noted that these changes, and any future changes, have the potential to substantially impact municipal ability to support affordable housing initiatives through resulting reductions in municipal tax levies.

It is the intent of this paper to provide a response from Service Managers and to provide recommendations to other levels of government to support the creation of affordable rental housing options. This paper will also discuss ways in which Service Managers can improve their efforts and share best practices.

While this paper does not specifically make recommendations on the need to preserve existing stock in a state of good repair, this is an important element to the overall housing system that will need further attention and funding from all levels of government. Future consideration of how we maintain existing affordable stock is critical to support the growth of affordable housing options that meet the true needs of local communities. Service Managers continue to make difficult decisions with the intention of maintaining and improving existing stock while also growing the availability of affordable units across our communities.

This paper also does not specifically make recommendations to improve the homelessness system and funding relationships, however this is also an important area for future consideration. This paper does include recommendations relating to

supportive housing options and the need for more affordable units, which will inevitably support an improved homelessness system. Service Managers have demonstrated throughout the COVID-19 pandemic, our ability to be creative and nimble in a response to the homelessness crisis with additional funding from the province (Social Services Relief Fund). We are concerned with the ending of this funding that there will no longer be sufficient resources to adequately respond to this crisis, particularly for the most vulnerable in our communities. Specifically, based on surveyed Service Managers, SSRF accounted for approximately 43% of housing and homelessness funding allocations in 2020/21, 45% in 2021/22, and 19% in 2022/23. This is a considerable amount of funding that Service Managers will no longer have access to, despite the ongoing homelessness crisis facing many communities.

This paper was drafted by the Municipal Support of Rental Development (MSRD) Technical Table through the Service Manager organized Housing Strategic Steering Committee (HSSC). The technical table met monthly, beginning in April 2022, and all 47 Service Managers were invited to participate in a survey to inform the paper's position and to provide a clear picture of the leading role Service Managers are playing in new affordable rental housing development across the province (see Data Appendix).

The technical table respectfully and gratefully acknowledges the traditional territories that communities are located on across Ontario. The table recognizes that every house in Ontario is built upon the traditional territory of Indigenous peoples and that meaningful engagement is required to support Indigenous people residing in our communities across the province to ensure inclusion in Service Manager housing responses.

## The Role of Service Managers

Ontario is the only province in Canada where municipal levels of government are responsible for providing community housing. Other provinces provide housing programs that are fully funded by the provincial or territorial governments with support from federal funding agencies. Since the devolution of community (social) housing in the Province of Ontario in 2001, Service Managers have been responsible for the administration, planning, and have been the primary funder of community housing and housing initiatives in their local community. These programs are provided through 47 regional governments, counties, cities, and/or District Social Services Administration Boards (DSSABs). These bodies are collectively referred to as Service Managers. These contributions from Service Managers total more than \$1.77 billion in local funding annually<sup>1</sup>. This also includes managing more than 260,000 community and affordable housing units that represent approximately \$40 billion in combined assets<sup>2</sup>. Service Managers also administer Federal and Provincial housing and homelessness funding and conduct homelessness enumeration activities in accordance with Federal and Provincial guidelines.

In addition, Service Managers are also responsible for administration of centralized wait lists and access for community housing and for setting local housing standards and eligibility criteria for the various forms of housing assistance. Through these actions, Service Managers provide support to over 1,500 local non-profit and co-operative housing corporations ensuring the provision of affordable quality housing for more than 680,000 Ontarians<sup>3</sup>. Service Managers are the stewards of community housing in their local jurisdiction and take the lead role in supporting the longevity and vitality of the sector for years to come.

In addition to non-profit and co-operative housing corporations, Service Managers are the sole shareholders of Local Housing Corporations (LHC) that deliver public community housing across Ontario. While all Service Managers are the sole shareholder of LHCs, there are various governance structures across Ontario. Specifically, in our sampling of Ontario Service Managers, 21% reported a LHC structure that is fully integrated into their municipality, 32% described a mostly integrated structure, and 26% reported a hybrid structure. Only 21% of service managers reported that their LHC was fully separate from their municipality, suggesting that the majority of Service Managers play a significant role in their LHC. In general, LHCs own the oldest community housing stock in a community, represent the largest stock of affordable and community housing in their local regions, with a funding formula that is driven to a break-even point without surplus generation opportunities. At the same time, in some municipalities, LHCs are often one of the main vehicles for the growth of new subsidized and affordable housing units. Typically, LHCs represent the

---

<sup>1</sup> Ontario Municipal Social Services Association, Housing and Homelessness Services in Ontario, 2022.

<sup>2</sup> Housing Services Corporation, Social and Affordable Housing Primer, 2014.

<sup>3</sup> Ontario Municipal Social Services Association, Housing and Homelessness Services in Ontario, 2022.

largest single landlord of affordable rental housing and play a critical role for affordable rental housing stock in a community.

Since the *Housing Services Act*, 2011 came into effect, Service Managers have been responsible for developing local 10-Year Housing and Homelessness Plans. These plans include an assessment of current and future housing needs in the local area that are required to inform the identification of objectives and targets to address local housing and homelessness issues. These plans are an important planning tool for Service Managers and are informed by extensive community and stakeholder engagements which are followed by a description of measures proposed to meet the objectives and targets, as well as the methods to measure progress. These plans are annually reported to the community and the province and are reviewed every five years setting the direction for local housing and homelessness activities. In some Service Manager areas, local strategies have also been developed to lead the development of affordable housing and to oversee the long-term community housing assets within the Service Manager's jurisdiction.

Service Managers are accountable directly to each of their local communities and work to ensure that services funded by the taxpayers are provided in a transparent manner that focuses on quality assurance, local priorities, and outcomes. Through strengthening community partnerships, understanding sociodemographic factors, Service Managers provide housing supports to achieve better outcomes for the clients that they serve.

## The Role of Service Managers in Encouraging Rental Development

Service Managers across Ontario are acutely aware of the local, regional and provincial housing landscape. In Service Manager areas across Ontario, there is a housing crisis demonstrated by lack of affordability, limited stock and poor condition of units. Most Service Managers who responded to our surveys are actively addressing this crisis through ongoing development efforts and/or the introduction of incentive programs for third party developments.

Service Managers act as the 'boots on the ground' in providing advice to developers, planning departments (both upper and lower tier) in support of initiatives and projects aimed at increasing affordable housing stock in our local communities. 47.4% of Service Managers responding to the survey indicated that they have grown internal capacity and shift staffing complements to be able to support rental housing development. This is not a new role for many Service Managers, as we are the primary funders of maintaining and growing community and affordable housing. From our sampling of Ontario Service Managers, municipalities provide most of the housing funding when compared to ongoing Federal and Provincial allocations to housing-specific programs (see Figure 3 in Data Appendix). This pattern is consistent from 2014 to 2022. In 2022, Service Manager funding (municipal tax bases) represented an approximate average of 83% of all housing budgets.

Service Managers act as a conduit to support new housing developments being considered by non-profits, co-operatives, LHCs, and for-profit entities. To this end, the 25 Service Managers who responded to the survey reported partnering in the development of a total of 6,638 Affordable Rental Housing Units from 2018 to 2022, with an additional 16,827 units planned or in progress over the next three years. Service Managers indicated that in many cases (57.9% of Service Managers surveyed), non-profit housing developers were not able to expand their housing stock without substantial financial support from the service manager. Of the units that had been developed from 2018 to 2022, 42.8% were developed by the Non-Profit sector, 42.1% were Municipal builds, and only 15.1% were developed by Private Developers. Similar percentages were found for units planned over the next 3 years (36.9% Non-Profit, 51.9% Municipal builds, and 11.3% Private Developer). Given that only 55.32% of Service Managers responded, these figures are vast underestimates of the true number of units developed by all Service Managers in this timeframe and could be at least twice as high as indicated above.

Most Service Managers are providing some form of incentives for the creation of affordable housing in their communities. The most common tools reported include using Community Improvement Plans and Municipal Housing Facilities By-Laws (68.4% of Service Managers who responded to the survey), waiving and/or deferring development charges (63.2% of Service Managers) and reducing the property tax rate on multi-residential properties (57.9% of Service Managers). This work often requires collaboration between housing, planning and financial services within a municipal

environment. Housing Services are key supporters of these departments and support the implementation of local affordable housing strategies. It is important to note that the type of incentives provided will vary based on the local governance structure in communities, DSSABs and upper-tier municipalities will have a more complex relationship with other levels of local governments in considering potential incentives for affordable housing generation.

Service Managers are often the key funder of new affordable housing creation, maintenance of existing stock and in many cases a lead developer of affordable and community housing options. In our sampling of Service Manager affordable housing projects, funding contributions from the Service Manager/DSSAB represented the largest category of funding. An approximate \$820,000,000 across 48 projects were reported from responding Service Managers, of this Service Manager funding contributions represented 48% of all new development funding, while provincial only funding represented 9%, and provincial and federal cost shared investments represented 11%, and federal only funding represented 18%. In addition, some projects had Service Manager contributions reaching up to 80% for some projects. Additionally, 85% of projects reported Service Manager funding contributions, compared to only 44% of projects reporting provincial-only funding contributions. It should be noted that for many of the projects receiving provincial-only funding, the capital portion of this funding was often one-time (including SSRF and HFG), and as a result, a significant number of future projects will likely require a higher proportion of Service Manager funding or not be developed without an additional funding source.

The majority of responding Service Managers (73.7%) indicated that they are currently working on a new capital project, all of which require multiple funding sources to reach reality. Responding Services Managers identified the most significant limitations and barriers of funding programs that are specifically targeted to the development of rental housing. The biggest barrier identified was the funding amounts made available, followed by required timelines, a lack of operating funding to support ongoing costs, programmatic challenges and availability of land.

Service Managers across Ontario are exploring and implementing creative solutions to address the current lack of affordable housing options, including partnerships, exploration of different models and tenures of housing, landbanking and landtrusts, etc. Many Service Managers also are expanding the type of affordability available within their communities including rent supplement, affordable housing units, rent-geared-to-income, housing allowances, etc. Further, it takes significant resources to develop a project to the point of being funding-ready and shovel-ready, in terms of timelines, land and financing. It will be important that flexibility in supporting the advancement of early-stage projects is considered.

As Service Managers, we focus specifically on encouraging more affordable rental housing, our efforts often also lead to the development of attainable and market rent creation through the inclusive developments that include a range of affordability levels, sometimes a range of housing tenures and support a broader range of affordability needs across our community.



Service Managers across Ontario are working with partnering organizations to build housing that meets the specific needs of the community, including local Friendship Centres and the Ontario Aboriginal Housing Services. Service Managers encourage the provincial and federal governments to learn about existing work and join us in supporting this collaboration across the province.

Despite this historic and growing role for Service Managers, we frequently are not adequately consulted or recognized for our full role in the housing continuum. Service Managers are the key player and driver of housing growth across the province. Although engagement has been improving, all levels of government need to continue exploring a changed relationship that includes more productive dialogue on certain aspects of housing, broadening to include but not limited to affordable housing preservation and generation of new affordable housing units.

## What Service Managers Need

Service Managers are key stakeholders that are critical to the development of affordable rental development. There are several recommendations in three key areas that will facilitate the creation, success, and long-term sustainability of affordable rental development to assist Service Managers in this important role.

In the development of this paper the MSRD Technical Table surveyed Service Managers to determine what additional support was needed to create more housing. The responses to the survey reflect the key areas below. 89.5% of Service Managers who responded to the survey reported that their Municipality needed funding to help support the creation of affordable rental development. Other needs identified related to land (31.6% of Service Managers), additional personnel capacity (21.1% of Service Managers), considerations regarding additional supports in conjunction with housing (e.g., health, support services; 15.8% of Service Managers), and planning changes (15.8% of Service Managers).

In the spirit of collaboration, the recommendations in the following sections include actions for the Provincial and Federal governments as well as Service Managers. To create meaningful change, collaboration and partnerships with all levels of government is required.

The three key areas are: funding, program/process improvement, and education/awareness building.

### Funding

- The province should consider separate funding streams with flexible parameters for the creation of new affordable rental housing.
- The province should understand that housing needs range across a wide spectrum and to solve the housing crisis, innovative solutions that are cross-sectoral in nature are required.

- The province should consider expanding operating funding programs to support the ongoing operations of newly constructed supportive, transitional, and deeply affordable housing. Operational funding is needed up front to provide the level of supports needed by the most vulnerable in our community.
- The province should create additional programs that support the creation of new supportive housing opportunities and consider expanding the programmatic model of Home for Good for all communities.
- The province should seek to expand program funding in light of the success of recent 'one-time' funding programs used to support capital investments, including SSRF and Home for Good. Provincial-only funding represented about 19% of new housing project funding submitted through Service Managers. Going forward there will be a significant decrease in provincial funding for these critical projects and maintaining the critical improvements to local homelessness systems with the loss of SSRF.
  - Service Managers have heard from the province that the loss of SSRF would be addressed through increases to HPP programming beginning in 2022/2023. However, on average in 2022/2023, this incremental increase represented only 8% of SSRF funding received in 2021/2022.
  - Without a substantial increase to stable and predictable funding, Service Managers will continue to be challenged to meet the needs of our local communities for expansion of housing and supportive services.
- The province should address the funding gap in the health sector for community supports to ensure that those needing supportive housing can access the supports they require to remain housed. Existing Service Manager housing-focused funding allocations are not intended to fill this gap. Funding from partner ministries is necessary to support existing supportive housing/operational needs.
- The province should ensure that all new funding programs/streams are equitably accessed by all Service Manager areas, including small urban and rural municipalities.
- The province should ensure Indigenous Program Administrators and urban Indigenous housing providers are included in the discussion and design of new funding programs.
- The provincial and federal governments should consider the creation of an ongoing dedicated funding program that supports the acquisition and rehabilitation of rental properties being sold to preserve this important rental stock and maintain/introduce affordable rental options.
- Federal, provincial, and municipal governments should consider the re-purposing of existing built form for the use of innovative creation of affordable housing, for example the change in use from commercial to multi-residential, etc.
- The province should consider refunding land transfer taxes for the purchase of land that is used to develop or maintain affordable rental accommodations within a reasonable time period.

- The province should become an active partner in the funding of municipal incentives for affordable housing generation such as Development Charge Waivers, Capital Grants and Tax Increment Equivalent Grant, permit and other fee waivers, including the cancelled 2018 Provincial Development Charge Rebate Program.
- The provincial and federal governments need to re-evaluate the National Housing Strategy Funding allocations, as Service Managers who responded to our survey have seen an overall 51% decrease in cost-shared housing program allocations since 2016/17.
  - When considering COCHI, the provincial government has passed down the cost-sharing requirement to Service Managers with the federal government. When removing the COCHI allocation from this amount, the decrease in allocations jumps to 79%.
- The province and federal governments need to consider the increased funding allocation to COHB through the NHS and address the shrinking flexible funding allocation (OPHI). The province and federal governments should ensure any surplus within housing programs is provided fairly to Service Managers for spending within a reasonable timeframe.
- The province should support urban Indigenous housing providers and urban Indigenous partners to realize Indigenous-led housing priorities through the federal Urban, Rural and Northern Indigenous Housing Strategy and support the recommendations set out in the Urban and Rural Indigenous Housing Plan for Ontario, released by the Ontario Non-Profit Housing Association.

## **Program/Process Improvement**

- New and existing programs driven by the provincial and federal governments should focus on contribution/grants/forgivable loans, such as the CMHC Co-Investment Fund, Rental Construction Financing, etc. Municipalities must contend with debt ceilings and are required to limit debentures across all areas.
- The province should call on the federal government to reorient National Housing Strategy programs as per the most recent National Housing Council analysis<sup>4</sup> to ensure programs are meeting affordability targets, addressing those in core housing need, and ensuring we will end chronic homelessness.
- Multi-year planning allocations for all programs are required to ensure that investments are well planned and leveraged with other investments. Reactionary program delivery or scrambling to identify projects within Ministry imposed timelines is challenging and often doesn't align with planning and application processes for permits or additional investment opportunities like CMHC Co-

---

<sup>4</sup> National Housing Council. 9. 'Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs: Research Report.' Retrieved from: <https://assets.cmhc-schl.gc.ca/sites/place-to-call-home/pdfs/analysis-affordable-housing-supply-created-unilateral-nhs-programs-en.pdf>

Investment Fund to ensure sustainable construction and operating budgets can be developed.

- The federal government should reconsider energy and accessibility requirements for their National Housing Strategy programs. With the rising cost of construction, aggressive energy targets are becoming harder to achieve within viable pro-formas. Further, repair funding which requires increasing accessibility requirements result in Service Managers leaving funding on the table – the cost of accessible retrofits do not match the level of funding provided, and in some cases are not achievable regardless of funding levels.
- The province should review and revamp the Canada-Ontario Housing Benefit (COHB) program to address the current market rental rates, while reflecting the rents actually paid by households.
- Shelter rates for social assistance recipients are too low. The province should work to increase these rates to support all social assistance recipients (Ontario Works and ODSP) working toward life stabilization.
- The province must reconsider rent scales and utility scales in rent geared to income units – as the main funder of community housing, municipalities can no longer subsidize provincial programming costs.
- The province should engage across ministries to address issues that extend past ministry boundaries including but not limited to supportive housing, social assistance modernization, justice sector, etc.
- The provincial and federal governments should consider the impact and options of providing interest free loans to local housing corporations, municipalities and other large housing providers who commit to multiple developments of affordable and attainable rental housing. The cost of debt servicing is high on project viability and pro formas – therefore projects are beginning to be kept on the shelf.
- The province and the federal government should consider the impact of requiring “shovel-ready” projects. Most provincial and federal funding programs require projects to be “shovel-ready” to receive funding. The time required to advance a project from concept to construction-ready varies, and often spans multiple years. Service Managers continue to work on building a pipeline of “funding-ready” projects, however advancing these projects is not easy and is increasingly costly for land acquisition and pre-development work.
- The provincial and federal governments should re-examine policies and practices relating to the disposition of surplus land and assets. The current policies surrounding the surplus lands at the provincial level create substantial barriers to the development of affordable and attainable housing on these sites. Service Managers and lower-tier municipalities are already engaging in more flexible and fair practices of disposal of surplus land for the purpose of affordable housing generation.
- A tri-lateral housing table should be formed to create open channels of communication between federal, provincial governments and Service Managers

to seek program efficiencies and implementation of shared goals and vision. Service Managers are unique to Ontario and as such require inclusion at the provincial and federal table that would benefit housing programming and investments.

- The provincial and federal governments must apply a rural and northern specific lens on housing programs, policies, and funding initiatives. This means understanding the varying capacity levels of Service Managers for implementation; understanding the ability to apply successfully for funding; consideration of unique rural, small urban, and Northern needs; and ensuring flexibility for Service Managers to serve the unique needs of their local communities.

### **Education/Awareness Building**

- The provincial and federal governments should work to reflect and acknowledge the funding role of Service Managers and Municipalities when making funding announcements and issuing press releases more accurately for new development of affordable housing.
  - In our sampling of Service Manager affordable housing projects, the Service Manager/DSSAB and Municipalities supplied the largest percentage of all funding sources, while other levels of government represented smaller funding contributions. However, announcements are co-branded only with provincial and federal logos and statements.
- Training should be provided to support the entire housing sector with succession planning in mind. Modules should be created for staff at the MMAH, CMHC, Service Managers and Community Housing Providers on the unique Ontario context and legacy funding arrangements for community housing in Ontario.
- The provincial government should evaluate their consultation process with Service Managers. Considering that Service Managers and their municipalities are the majority funder of community (social) housing in Ontario, they should be consulted meaningfully, early, and often.

Service Managers remain committed to supporting good plans, appropriate goals and partnerships across the sector to support a safe and affordable rental market in Ontario.

## Growth opportunities for Service Managers

As a key funder in the community (social) housing sector in Ontario, Service Managers are committed to continuous learning and engagement across the sector to implement best practices and share knowledge amongst each other. As many features exist which make us different from one another, there are just as many unifying features that demonstrate our shared successes, priorities and challenges. In the development of this paper, the MSRD Technical Table shared similar experiences, learned from one another and identified shared areas of growth that Service Managers should consider continuing implementing local and shared visions of improved community (social) housing systems.

- Service Managers should continue to learn about one another's unique geographic areas, needs and demographics to continue creating shared priorities, advocacy points and systems of support for similar Service Manager areas, while supporting each other's differences. Advancements should not be made to the exclusion of other SM areas.
- Service Managers should be familiar with, and understand the implications of, the United Nations Declaration on the Rights of Indigenous People, specifically Articles 21 and 23, as they pertain to the rights of Indigenous people to the development and self-administration of housing.
- Service Managers should continue to learn from, and meaningfully engage with local, regional and provincial urban Indigenous organizations to understand the unique urban Indigenous realities and the needs of urban Indigenous people in our communities.
- Service Managers should encourage and hold other levels of government accountable to their requirements and commitments to engage with urban Indigenous populations and organizations in the design, delivery, and funding of urban Indigenous housing initiatives.
- Service Managers should continue to learn about the unique needs of all equity seeking groups in our municipalities to ensure housing programs and policies meet their needs.
- Service Managers should continue to work and collaborate with community housing sector organizations like the Ontario Non-Profit Housing Association (ONPHA) and the Cooperative Housing Federation (CHF) to support and sustain a viable community housing sector in Ontario and expand affordable housing where feasible.
- Service Managers should continue to gather data and tell our unique stories to support ongoing investments and program efficiencies to meet provincial and local needs.
- Service Managers should share success stories more broadly to support the good work being done across the province.

- Service Managers should work to develop a best practice guide to support each other in building skills and capacity to further rental development in our communities.
- Service Managers should continue to support the advancement of affordable housing solutions locally and provincially.
- Service Managers should continue to advocate for the implementation of specific actions that address the creation and maintenance of affordable housing from all levels of government. The creation of affordable housing **cannot** be done through Planning Act changes alone.
- Service Managers should engage in stronger housing specific advocacy to other levels of government to understand the role Service Managers play and the importance of adequate funding for housing that is truly affordable and meets the needs of the most vulnerable populations. Responsibility for the creation and funding of housing lies with all levels of government and meaningful partnerships, advocacy and education are needed to establish fair and equitable contributions
- Service Managers should work with AMO to create a joint housing programming and planning table to actively seek partnerships within municipalities to develop recommendations in the planning areas that will support the creation of affordable rental housing, such as inclusionary zoning, rental and high density protection zoning, consideration of zoning practices from other jurisdictions such as British Columbia to support the creation of deeply affordable housing, land banking and addressing NIMBYism.
- Many Service Managers are also acting as developers, as such have first-hand experience in navigating NIMBYism and planning processes. Service Managers should work with AMO to provide this information collaboratively and cooperatively.

## Next Steps

The implementation of the recommendations included within this paper will require commitment from all levels of government including federal, provincial, municipal (upper tier, lower tier, single tier) and Service Managers.

The HSSC will lead the path in determining appropriate prioritization of recommendations and support the ongoing advocacy for foundational recommendations and communication channels with all orders of government.

It is the intention of the MSRD Technical Table and HSSC that this paper will be shared with key provincial advocacy organizations for consideration in their own provincial and advocacy efforts. Members of the Technical Table will be available for presentations on the findings and recommendations as required. The Technical Table recommends that HSSC consider implementing next steps including:

- Share this paper with the Ontario Municipal Social Services Association, Association of Municipalities of Ontario, Rural Ontario Municipal Association, Regional Chairs and Warden Caucuses, Northern Ontario Service Deliverers Association, Housing Services Corporation and key urban Indigenous organizations (such as the Ontario Federation of Indigenous Friendship Centres, Ontario Aboriginal Housing Services), provincial planning tables, and sector organizations such as ONPHA and CHF.
- A second generation of technical tables be created to support and examine the feasibility of some broad recommendations included in this paper, along with exploring areas that were outside of the scope of the MSRD Technical Table. Tables could focus on areas including, but not limited to: Local Housing Corporations; preservation and maintenance of existing community housing stock; affordable home ownership initiatives; supportive housing growth and operations, and National Housing Strategy provincial/federal funding programs.
- Develop a best practices guide and inventory that can support Service Managers' learnings from each other on successes achieved in encouraging the creation of affordable rental units; along with a directory of best practice leaders across the sector to support information sharing and learnings.
- The HSSC should use this paper to share with existing and future housing taskforces to support the position of Service Managers related to the creation of additional affordable rental housing.



## Concluding Remarks

The time is now for renewed commitment and effective action in order to sustain existing and create new affordable housing supply. Government has been guided by an assumption that new supply of private market housing (ownership and rental) is the primary solution to affordability. While undoubtedly there is a lack of a diverse range of housing supply, in particular rental housing, a predominant focus on general planning mechanisms will not necessarily increase affordable options.

Without a targeted effort on increasing affordable housing supply, governments will not be able to meet the needs of low-income, vulnerable and marginalized people. In their 2022 report, the Housing Affordability Task Force in their report stated, “The result is untenable: more people need affordable housing after being displaced from the market at the very time that affordable supply is shrinking.”<sup>5</sup> (Appendix C, page 29).

Service Managers remain enthusiastic and committed to work together with all orders of government to address this crisis in the immediate, mid, and long-term. Without concerted and collaborative efforts, Service Managers will continue to address what we can through local developments, levy-funded incentives, and limited government funding allocations. However, our ability to have the impact needed and to truly meet housing needs across the province will depend on collaborations that include all orders of government as well as partners from both the non-profit and private sectors.

---

<sup>5</sup> Housing Affordability Task Force. Appendix C, page 29. ‘Report of the Ontario Housing Affordability Task Force.’ Retrieved from: <https://files.ontario.ca/mmah-housing-affordability-task-force-report-en-2022-02-07-v2.pdf>

# Data Appendix

## Method

Service Managers were asked to complete a Rental Housing Survey, consisting of a Microsoft Excel template with four Tables to be filled in with relevant information, and an online survey administered via Survey Monkey. Twenty-six Service Managers completed the Excel template Tables, and 20 completed the online survey (see Figure 1).

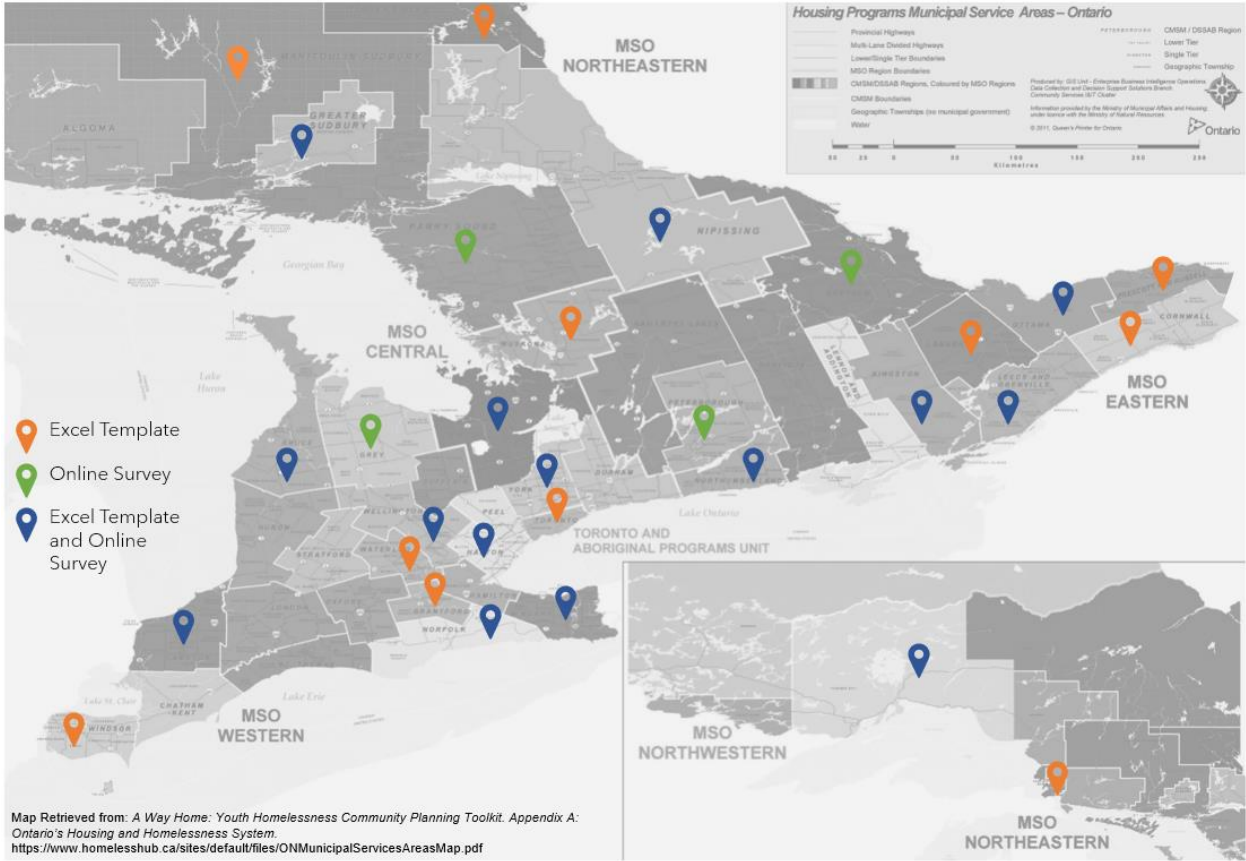


Figure 1. Map of Ontario Municipal Service Areas, with indicator of data type submitted to the Municipal Support of Rental Development Technical Table. A total of 11 Service Managers only submitted the Excel Template, an additional 4 only submitted the Online Survey, and 15 submitted both.

Following feedback from Service Managers, the Excel template was simplified during data collection, resulting in changes to the number and organization of the tables. Specifically, in the initial template, Table 3 included the number of housing units developed per year and the funding breakdown of those units. In the updated template, Table 3 was split into two tables, with the number of housing units developed per year outlined in Table 3, and funding information for specific projects outlined in Table 4. Due to these changes, any analyses involving Table 4 only include data from Service Managers who completed the updated template which outlines funding sources on a

project-by-project basis and may not be inclusive of all units created within a given year. This was done to ensure consistency when aggregating the data provided in this table across Service Managers.

### *Excel Template*

Table 1 outlined the Federal/Provincial funding allocations that the Service Manager received for specific programs, for funding years ranging from 2014/2015 to 2022/2023. The programs that were included in Table 1 included Social Housing Apartment Improvement Program (SHAIP), Social Housing Renovation and Retrofit Program (SHRRP), Investment in Affordable Housing – Extension (IAH-E), Social Infrastructure Fund (SIF), Social Housing Improvement Program (SHIP), Canada-Ontario Community Housing Initiative (COCHI), Ontario Priorities Housing Initiative (OPHI), Canada-Ontario Housing Benefit (COHB), Home for Good (HFG), Social Services Relief Fund (SSRF), Strong Communities Rent Supplement Program (SCRSP), and Community Homelessness Prevention Initiative/Homelessness Prevention Program (CHPI/HPP).

Table 2 outlined the Municipal funding for housing programs allocated by each Service Manager for each year, ranging from 2014 to 2022 (budgeted). Municipal funding was separated into Operating, Capital, and Other Municipal Dollars for each year specified.

Table 3 outlined the estimated total number of affordable rental housing units developed in partnership with the Service Manager over the last 5 years, from 2018 to 2022, and an additional category of the number of units that are planned or in progress over the next 3 years, following 2022. Units developed or planned for each year were categorized as belonging to Municipal Builds, Private Developer, Non-Profit, or Other.

Table 4 provided Service Managers an opportunity to outline the funding breakdown of a specific housing project, on a per-project basis. Service Managers were provided space to outline the funding breakdown of multiple projects. For each project, they were asked to specify the year that the project took place, the number of units that were created, and the funding received from Provincial, Provincial/Federal, Federal, Service Manager/DSSAB, and Other Sources.

### *Online Survey*

The online survey consisted of 13 items. One Service Manager response was excluded as a duplicate, resulting in 19 usable responses out of 20 total responses. Service Managers were asked a range of questions including the number of affordable rental units in their area, tools to encourage affordable rental developments, and limitations to funding for the development of rental housing. For full items and response options, see Survey Items section below.

## **Analysis**

### *Excel Template*

The funding amounts that were specified in Tables 1 and 2 were used to calculate the proportion of funding for each year that was derived from Federal/Provincial and Municipal sources. Separate calculations were carried out for Housing and Homelessness Programs and Housing Programs only. The average proportion for each category (Federal/Provincial or Municipal) across all Service Managers for each year is reported in Figures 2 and 3. For both calculations (Housing and Homelessness Programs and Housing Programs only), Social Services Relief Fund (SSRF) dollars were excluded from the calculations as this funding represented one-time temporary pandemic support and was not a long-term investment in the housing or homelessness system of a Service Manager. Further, four Service Managers listed additional or alternate funding programs other than those listed in the template. Any amounts included from programs not included in the original template provided were excluded from calculations to ensure consistency across Service Managers. For the Housing Programs calculation, CHPI/HPP and SCRSP were also excluded, as these programs primarily support homelessness programs; these programs remained in the calculation for Housing and Homelessness Programs.

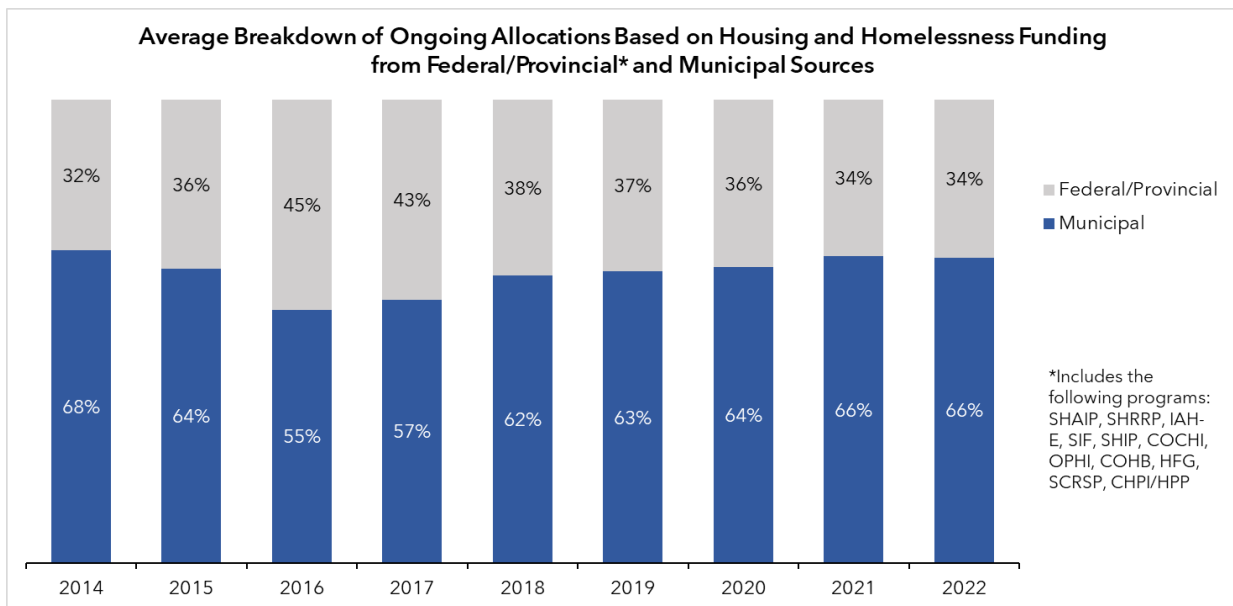


Figure 2. Average breakdown of funding allocations for Housing and Homelessness Programs, from Federal/Provincial and Municipal sources from 2014 to 2022.

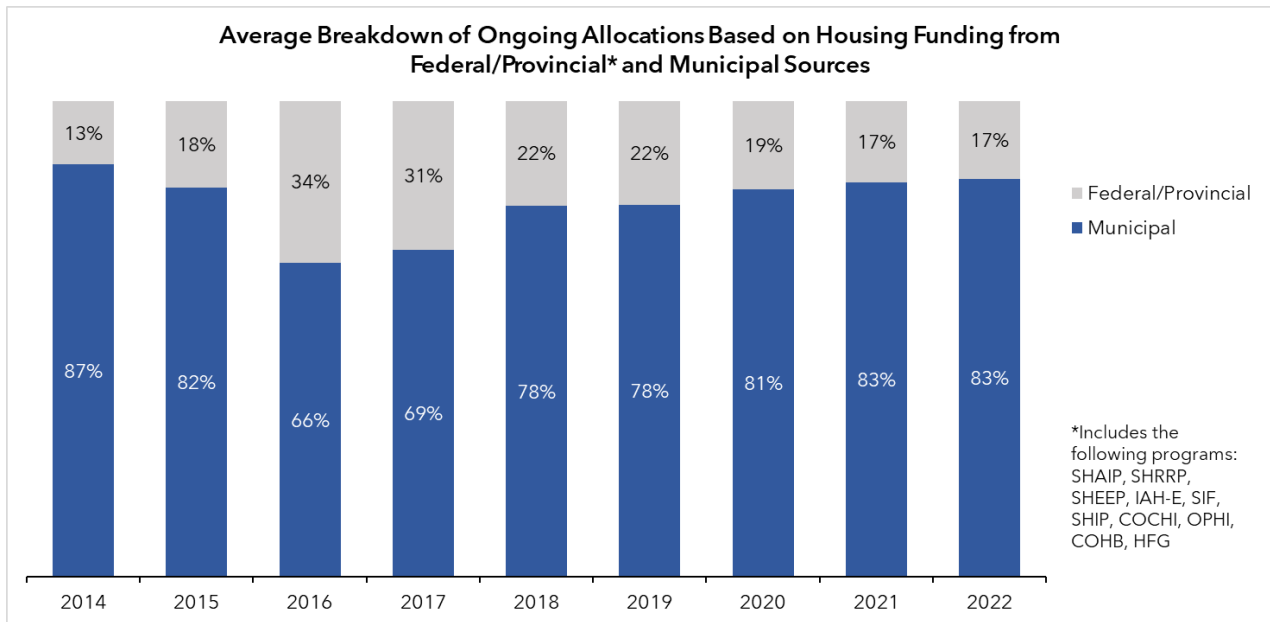


Figure 3. Average breakdown of funding allocations for Housing Programs, from Federal/Provincial and Municipal sources from 2014 to 2022.

The number of units developed with Service Managers were totaled for each type of unit (Municipal Builds, Private Developer, Non-Profit, Other), for each Service Manager, for each year (2018 – 2022) and the number of units that are planned or in progress for the next three years. After reviewing the data, the technical table determined that units included the Other category should be incorporated into the Municipal Builds category, as this represented the most appropriate category for these units. The overall total number of units developed by Service Managers from 2018 to 2022 was calculated, as was the total number of units planned for the next three years.

## Affordable Rental Housing Units Developed in Partnership with Service Managers

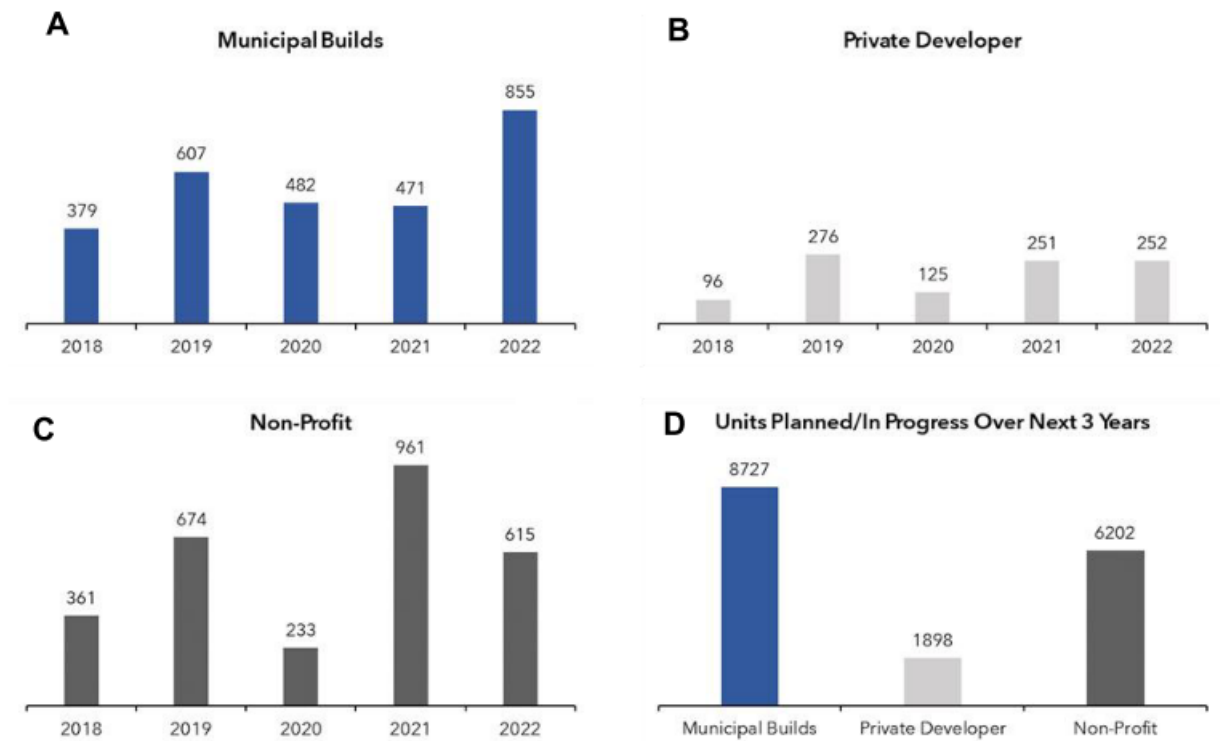


Figure 4. Affordable rental housing units developed from 2018 to 2022, based on unit type. A) Municipal Builds; B) Private Developer; C) Non-Profit; D) units that are planned or in progress over the next 3 years, based on unit type (Municipal Builds, Private Developer, Non-Profit).

For the breakdown of funding sources for projects that Service Managers reported, the amount of funding from each category for each reported project was used to calculate the proportion of all capital project funding that was derived from each funding source (e.g., proportion from Provincial, Provincial/Federal, Federal, Service Manager/DSSAB, and Other sources). The proportions for each project were combined to calculate the total amount of capital funding secured across 48 projects and then the proportion of funding from each funding source for a housing project. Additionally, the percentage of outlined projects that received Service Manager contributions was calculated, as was the percentage of projects that received Provincial contributions for comparison. Further the proportion of funding per project was also calculated.

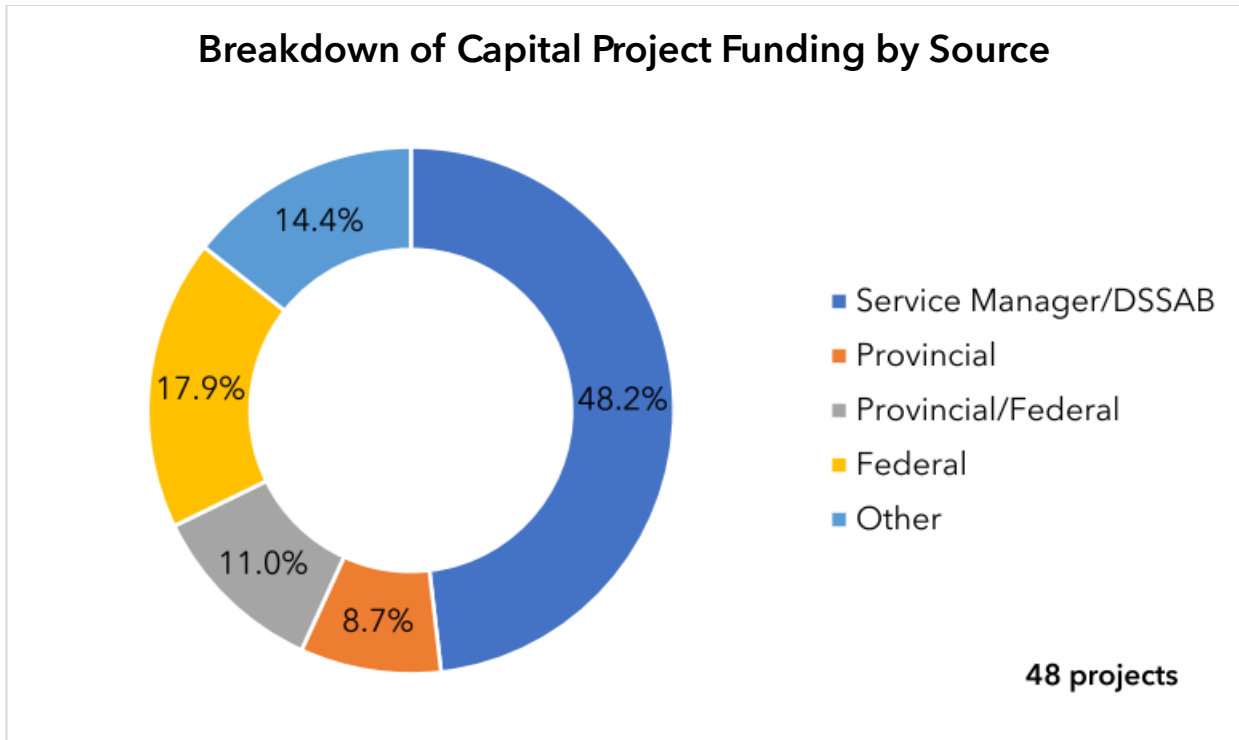


Figure 5. The amount of funding for identified housing projects provided by each funding source. A total of 48 housing projects are included.

The amount of funding that Service Managers received from the Social Services Relief Fund during the COVID-19 pandemic as a percentage of their total allocations received was calculated for each year this funding was available (2020/21, 2021/22, 2022/23). Note that some Service Managers reported SSRF funding in prior funding years (e.g., 2018/19 and 2019/20). As the amount of SSRF funding that Service Managers received was only calculated for 2020/21, 2021/22, and 2022/23, these amounts were excluded from the calculations. Additionally, for each Service Manager the increase to funding allocations from the harmonization of CHPI, HFG, and SCRSP into HPP was calculated as a percentage of 2021/21 SSRF funding received. Specifically, the difference between the combined total of CHPI, HFG, and SCRSP for 2021/22 and HPP for 2022/23 was expressed as a percentage of the SSRF allocation for 2021/22.

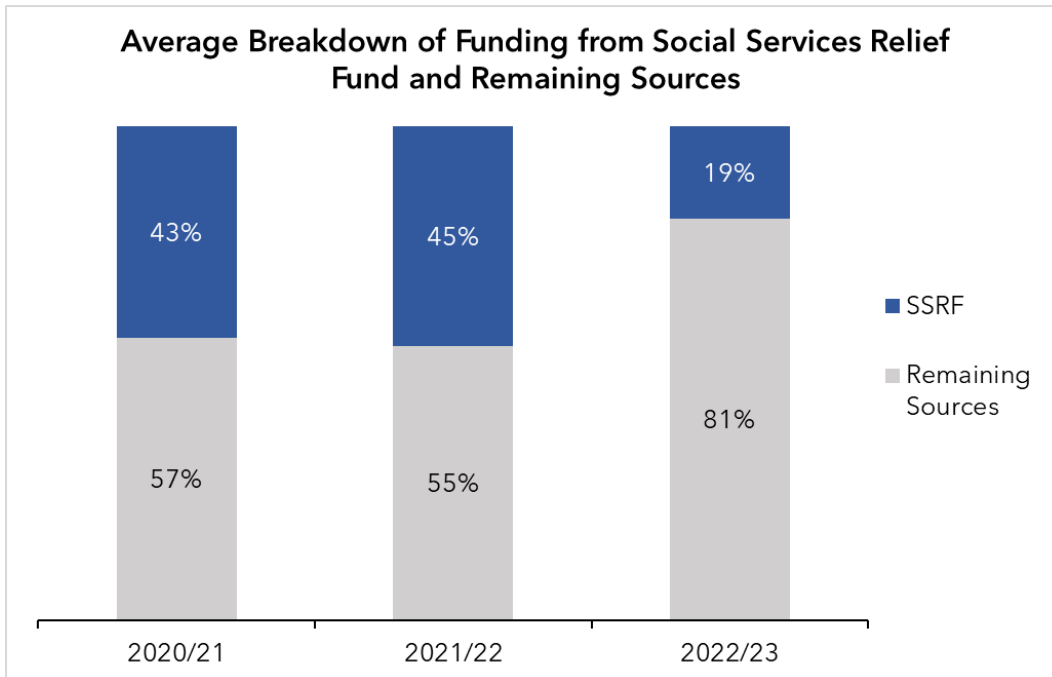


Figure 6. The average percentage of annual funding allocations received by Service Managers that were comprised of Social Service Relief Fund dollars and remaining sources, for 2020/21, 2021/22, and 2022/23.

The change in cost-shared program funding (SHAIP, SHRRP, IAH-E, SIF, SHIP, COCHI, OPHI, COHB) was determined by calculating the percentage change in total funding amounts for these programs from 2016/17 to 2022/23. 2016/17 was chosen as the comparison year as it represents the most recent programming shift (prior to OPHI/COHCI/COHB), as SIF was introduced to replace the historic IAH-E (see Figure 3). This calculation revealed that cost-shared program funding has overall decreased by approximately 51%.

Removing COCHI from the funding amounts, the decrease in Provincial-Federal cost shared funding jumps to 79% over the same time period. The technical table removed COCHI as the cost-shared component is shared by the Federal government and Service Managers. Further, the intent of COCHI is to address the reduced Federal investments into community housing, making Service Managers ‘whole’ to the 2018/2019 Federal investment levels.

### Online Survey

#### Item 2

To determine the amount and types of affordable rental units within each Service Manager’s area, the number of each of the following affordable rental units were collected: Rent Geared to Income (RGI), All Rent Supplement Units (including



municipal, provincial, federally funded units), Units receiving Portable Housing Benefits, Units receiving Housing Allowance, Units receiving Canada Ontario Housing Benefit (COHB), and Other. In total, 54.7% of all units reported were RGI units, 16.1% were All Rent Supplement Units, 14.2% were Affordable Average Market Rent (AMR), 4.1% were Units receiving Housing Allowance, 4.1% were Units receiving COHB, 3.9% were Other, and 2.9% were Units receiving Portable Housing Benefits.

### Item 3

Service Managers were asked if they had applied for funding targeted to the creation of rental units that wasn't approved, with Yes and No as response options, and if Yes was selected, Service Managers were given the opportunity to provide the rationale given (e.g., why the funding application was not successful). 52.6% of Service Managers reported that they had applied to funding that wasn't approved, and 47.4% reported that they had not. Of those who responded with Yes, programs that Service Managers had applied to included the Rapid Housing Initiative and Home for Good. Reasons for funding not being approved included the program receiving a greater number of applications than anticipated and application scoring criteria and rankings.

### Item 4

Service Managers were asked which tools they use to encourage rental development from the private or non-profit sector. The number of Service Managers reporting the use of each tool was calculated and converted to a percentage of the total number of Service Managers who responded to the Survey. This revealed that 68.4% of Service Managers reported using Community Improvement Plan/Municipal Housing Facilities By-Laws, 63.2% reported waiving and/or deferring development charges, and 57.9% reported reducing the property tax rate on multi-residential properties. 42.1% of Service Managers reported using Municipal Capital Facility designation, 31.6% reported using a reduction of parking requirements, 26.3% reported waiving planning application fees, and 21.1% reported reduction of parkland dedication. Finally, 15.8% of Service Managers reported using land transfer tools to encourage development. No Service Managers reported using the demolition and conversion of residential rental properties by-laws. One Service Manager did not respond to this item.

### Item 8

Limitations and barriers to funding pots for the development of rental housing were presented to Service Managers as a ranking question, with each Service Manager ranking all options from 1 (biggest limitation/barrier) to 10 (smallest limitation/barrier). These rankings were converted into a weighted score for each item, based on the number of times each item was ranked in each position. Based on this weighted score, the limitations ordered from biggest to smallest were: 1) funding amounts provided, 2) timelines, 3) operating/funding costs, 4) programmatic challenges, 5) availability/access to land, 6) average or median market rents and project/viability (tie), 7) application process for funding and financing issues (tie), and 8) housing providers.

### Item 9

Service Managers were asked how their Local Housing Corporation (LHC) was situated within their municipality, with a choice from 4 structure options and an “other” category. Upon review of the “other” responses, these Service Managers’ descriptions of their LHC were incorporated into the most appropriate existing structure category. Based on this categorization, 31.6% reported a mostly integrated structure (LHC is mostly integrated, operated by municipal staff, Council [or part of it] acts as the board, but Council has specific meetings for the LHC), 26.3% reported a hybrid structure (LHC is a hybrid model, supported by municipal staff, separate Board with Community Representatives, some separate branding, understanding of the LHC as a separate entity), 21.1% reported a fully integrated structure (LHC is fully integrated, operated only by the municipal staff, corporation has been removed – housing is now fully municipally run), and 21.1% reported a fully separate structure (LHC is a fully separate corporation with their own staff and a more formal relationship between LHC and municipality. Municipality only acts as a Service Manager).

### Item 10

Service Managers were asked if there were any non-profit housing providers within their Service Area that were able to expand their stock without significant financial assistance from the Service Manager. The free-text responses were categorized as Yes, No, or Planning/Attempting. 57.9% of Service Managers responded with No, 26.3% indicated that non-profit providers were Planning/Attempting development without significant Service Manager investment, and 10.5% responded with Yes. One Service Manager did not respond to this item.

### Item 11

To understand capacity to support rental housing development, Service Managers were asked if they had added any Full-Time Equivalents (FTE) or positions within their organization. The free-text responses were categorized as Yes, No, or In Progress. Based on this categorization, 47.4% had added FTE/positions, 42.1% had not, and 5.3% were In Progress for hiring a position. One Service Manager did not respond to this item.

### Item 12

Service Managers were asked what their municipality needed to help support the creation of affordable rental development. The free-text responses were coded as containing one or more of the following elements: funding, personnel, land, supports combined with housing, and planning changes. 89.5% of Service Managers reported needing funding, 31.6% reported needing land, 21.1% reported needing personnel, 15.8% reported needing supports combined with housing, and 15.8% reported needing planning changes. One Service Manager did not respond to this item.

### Item 13

Service Managers were asked if they had a new capital project that they would like to provide details on that demonstrates the need for multiple funding sources to make a viable project. The majority of Service Managers did have a project that demonstrated the need for multiple funding sources, with 73.7% reporting Yes, and 21.1% reporting No. One Service Manager did not respond to this item.

## Limitations

Of the 47 Service Managers who were asked to complete the survey, only 26, or 55.32% of all Service Managers provided responses for the Excel Template tables. However, as can be seen in Figure 1, the Service Managers who provided responses comprise a wide range of areas across the Province, with representation in the Northern, Eastern, Central, and Western areas of Ontario. Service Managers who filled out the templates also represented a wide range of community types in Ontario, such as rural and remote areas (e.g., Timiskaming), mid-size cities/regions (e.g., Region of Waterloo), and large cities (e.g., Ottawa, Toronto). Therefore, although the data is limited in that not all Service Managers are included, the collected data is likely representative of the province as a whole. A similar limitation is present in the online survey data, as only 19 (after removing a duplicate), or 40.4% of Service Managers provided responses for this component, however a similar range of regions and communities are represented in this data set.

The funding allocations, number of units created, and project funding data used in this analysis was self-reported by Service Managers. Therefore, it is possible that the data reported to the Municipal Support of Rental Development Technical Table may not be inclusive of all funding received from various funding programs. Further, Service Managers differ in terms of their organizational structure and internal processes, which may have impacted the data collected in the survey (e.g., which sources were used to complete the tables). An additional limitation concerns the change in template during data collection, which resulted in Table 3 (number of units developed per year) being separated from project funding information (Table 4 in the updated template). This change in template structure reduced the amount of data that we were able to use for the analysis of project funding information, due to being unable to compare Service Managers who filled out the initial template to those who filled out the revised template. A further limitation for Table 3 concerns the interpretation of the date associated with the creation of a unit. It is possible that some Service Managers organized their data based on the date that funding was committed for a project, whereas others organized it based on occupancy date. This may have impacted the accuracy of the data provided in Table 3.

Finally, project funding was collected based on tier of funding source – Provincial, Provincial/Federal, Federal, Service Manager/DSSAB, or Other. Multiple funding amounts from one source, for one project, may have been combined in this reporting structure (e.g., two funding amounts from different Provincial programs used for the same project). This may also be more pronounced for the “Other” category of funding, which may be made up of multiple smaller amounts. This means that the number of funding sources reported for each project/unit creation year should be viewed as an

underestimate of the true number of funding sources a project had. Another limitation to the project funding data concerns the role of Social Services Relief Funding provided throughout the COVID-19 pandemic. These funds were not separable from other sources of provincial funding in this table structure, as they were in the overall funding allocation tables (and thus could be excluded to isolate the influence of longer-term funding programs). Depending on the use of SSRF dollars for housing projects specifically, this potentially overestimates the amount of funding that is derived from Provincial contributions. It is important to note that Social Services Relief Funding is a one-time pandemic support measure that ends in the 2022-2023 fiscal year, and that the funding breakdown for housing projects may change considerably after this funding concludes.

## Survey Items

1. Contact Information
2. Number of rental units that provide some form of affordability in your service area:
  - a. Rent Geared to Income (RGI)
  - b. Affordable Average Market Rent (AMR) (based on definition of Area Municipality)
  - c. All Rent Supplement Units (including municipal, provincial, federally funded units)
  - d. Units receiving Portable Housing Benefits
  - e. Units receiving Housing Allowance
  - f. Units receiving Canada Ontario Housing Benefit (COHB)
  - g. Other
3. Have you applied for funding to any funding programs targeted to the creation of rental units that wasn't approved?
  - a. Yes
  - b. No
  - c. If Yes, please provide the rationale given (e.g., why didn't it work – ready, but were not selected, etc.).
4. What tools does your municipality use to encourage Rental Development from the Private or Non-Profit Sector?
  - a. Waiving and/or deferral of Development Charges
  - b. Waiving planning application fees
  - c. Municipal Capital Facility designation
  - d. Land transfer
  - e. Reduce the property tax rate on multi-residential properties
  - f. Demolition and Conversion of Residential Rental Properties By-Laws
  - g. Reduction of parking requirements
  - h. Reduction of parkland dedication
  - i. Community Improvement Plan/Municipal Housing Facilities By-Law
  - j. Other (please specify)
5. Is your municipality or one within a DSSAB considering enacting an inclusionary zoning by-law?
  - a. Yes
  - b. No
  - c. Unsure
6. Please share any best practices that you would recommend to other areas that have helped your area's success in increasing affordable rental supply.
  - a. Free text entry
7. Please share any "words of wisdom" or "do not's" that your area has experienced and would avoid in future as it relates to the rental housing market.
  - a. Free text entry

8. What are the biggest limitations/barriers to funding pots that are targeted to the development of rental housing you are currently accessing? Please rank in order, 1 being the biggest limitation/barrier and 10 being the least.
  - a. Average Market Rents or Median Market Rents
  - b. Funding amounts provided
  - c. Timelines
  - d. Programmatic Challenges – e.g. meeting program Guidelines/requirements
  - e. Application Process for Funding (length, capacity)
  - f. Project/Viability
  - g. Financing Issues
  - h. Housing Providers (Non-profit example)
  - i. Availability/Access to Land
  - j. Operating Funding/Costs
9. How is your local housing corporation (LHC) currently situated?
  - a. LHC is fully integrated, operated only by the municipal staff, corporation has been removed – housing is now fully municipally run.
  - b. LHC is mostly integrated, operated by municipal staff, Council (or part of it) acts as the board, but Council has specific meetings for the LHC.
  - c. LHC is a hybrid model, supported by municipal staff, separate Board with Community Representatives, some separate branding, understanding of the LHC as a separate entity.
  - d. LHC is a fully separate corporation with their own staff and a more formal relationship between LHC and municipality. Municipality only acts as a Service Manager.
  - e. Other (please specify)
10. Are any non-profit housing providers currently (or recently) expanding their stock in your Service Manager area without significant financial assistance from the Service Manager? Describe what they are doing and their success(es).
  - a. Free-text entry
11. Have you added any FTE/positions to support rental housing development (has your capacity grown)? Please describe.
  - a. Free-text entry
12. What does your municipality need to help support the creation of affordable rental development?
  - a. Free-text entry
13. Does your area have a new capital project that you would like to expand on that demonstrates the need for multiple funding sources to make a project viable?
  - a. Yes
  - b. No
  - c. Who can we contact to learn more? Please provide a name and email address