

Supplementary Budget – Briefing Note

2020 Budget

Expansion of Portable Housing Benefits

Briefing Note required for:**-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CHS	Housing Services	Tenant Relations	Establish Base Budget for Portable Housing Benefits for 5 Family Units @ \$500/month for 12 months	B	\$30,000	
CHS	Housing Services	Tenant Relations	Establish Base Budget for Portable Housing Benefits for 58 Single Units @ \$300/month for 12 months	B	\$208,800	
CHS	Housing Services	Tenant Relations	Establish Base Budget for remaining unfunded rental units re 2019 change from 6 units to 22 units	B	\$40,536	
			Total		\$279,336	

Background:

The Ministry of Municipal Affairs and Housing set out Service Level Standards (SLS) for Service Managers designated under first the Social Housing Reform Act, 2000 then repealed and replaced by the Housing Services Act, 2011 via Ontario Regulation. O. Reg. 367/11, Schedule 4, Item #3, prescribes Chatham-Kent's SLS at 1,365 Households at or below household income limit clause (i.e., rent-geared-to-income eligible); 747 High need households; and 63 Modified units.

Comment:

Under a letter dated June 27, 2019, the Deputy Minister, Ministry of Municipal Affairs and Housing gave notice to the CK CAO re "Service Level Standard Obligations for Service Managers." This notice advises that as reported in the 2018 Service Manager Annual Information Return (SMAIR) it is "evident that you are not fully meeting your Service Level Standard." The CAO has been given until November 29, 2019 to submit the Service Level Standard Action Plan. The Director of Housing Services, with the help of her staff and input from the Infrastructure and Environmental Services Housing Assets and Building Maintenance staff, has prepared an Action Plan for the CAO's review and approval for submission to the Ministry. The Director has been instructed by the General Manager, Community Human Services to prepare a Report to Council on this matter, see attached Report to Council dated November 15, 2019. The Portable Housing Benefit (PHB) allowances set out above are aimed to ensure CK Housing Services gets back on track with meeting the SLS set by the Province. To meet these SLS, the previously approved 2019 supplementary budget request needs to be made base in 2020.

Municipality Of Chatham-Kent

Community Human Services

Housing Services

To: Mayor and Members of Council

From: Shelley Wilkins, Director, Housing Services

Date: November 15, 2019

Subject: Action Plan for Achieving Service Level Standards for the Municipality of Chatham-Kent Service Manager of Housing Services

This report is for the information of Council.

Background

Under letter dated June 27, 2019, the CAO received notice regarding “Service Level Standard Obligations for Service Managers,” from the Ministry of Municipal Affairs and Housing (MMAH) Deputy Minister, copied to the Assistant Deputy Minister. This notice highlights the purpose of the annual Service Manager Annual Information Report (SMAIR) and the fact that the 2018 SMAIR makes it “evident that [we] are not fully meeting [our] Service Level Standard.” The Deputy Minister also quotes the Auditor General recommendation in the 2017 Value for Money Audit on Social and Affordable Housing that the Ministry of Housing:

- “Track and report on the number of subsidies each municipal service manager provides compared to the legislated standard; and
- Follow up with municipal services managers when the standard is not met to develop an action plan and remedial steps to attain the standard.”

The CAO was directed to submit an Action Plan, due November 29, 2019, that illustrates how the Service Level Standard (SLS) will be met over time.

Pursuant to the Housing Services Act, 2011 (HSA) and Ontario Regulation, the MMAH prescribes the Municipality of Chatham-Kent’s SLS for social housing at 1365 households with income below the prescribed Household Income Limits (i.e., regular RGI); 747 High Need (HN) Households; and 63 Modified Units.

Annually the SM is required to complete and file the SMAIR with MMAH. In turn, MMAH consolidates the 47 SMAIRs it receives and reports to the federal government (vis-à-vis the Canada Mortgage Housing Corporation). The SMAIR captures both financial and statistical reporting, along with management representations. It is used to ensure that SMs are spending more on housing programs than what they receive in federal funding and it is used to determine whether SLS are being met.

The statistical reporting is done on a snapshot basis for the month of December each year, and includes RGI households, non-RGI households (i.e., market rent households) and vacancies at the municipal year-end. Statistics are collected from each prescribed housing provider (including

municipal public housing), and for rent supplement and municipal portable housing benefits (PHB) programs. The latter PHB program is a recent addition to the SMAIR.

SMAIR reports have been filed with MMAH annually from 2001 to 2018.

Comments

The Director, Housing Services analyzed and reviewed historical data to determine how best to work towards achieving the SLS for social housing. The Analysis determined that:

1. The regular Rent Geared to Income Service Level Standard of 1,365 units is where the Municipality is not meeting targets. Both the High Need and the Modified Unit Service Level Standard has been met since devolution of housing to the Municipality of Chatham-Kent.
2. The SLS target for RGI includes 19 beds for the Chatham Kent Women's Centre (CKWC) however, CKWC was not transferred to the Municipality of Chatham-Kent at the time of devolution and as such, the beds cannot be counted in the Municipality's performance.
3. Unit counting is complicated.
 - a. Chatham-Kent has converted three former Section 95 federal providers to provincial reformed to keep them financially viable. Former federal provider units did not count in SLS.
 - b. One of the three former Section 95 providers also has provincial rent supplement units. These units do not count towards SLS.
 - c. Social housing is not static. There has been a number of changes to the portfolio.
4. Households are remaining in their units despite transitioning to market rent when they become eligible for CPP and/or other pension benefits, or when their income reaches a level making them ineligible for RGI.
5. 12-month Window Rule (soon to become a 24-month Window Rule): means RGI households that become market can flip back to RGI in that window. Housing Providers with "mixed" targets have to manage to stay on target.
6. Vacancy unit turn-over time can be lengthy.
7. Rent Supplement challenges include finding enough property owners with suitable units that are also at affordable prices.

Action Plan

The Action Plan submitted to the Ministry includes a three-pronged approach:

1. Improvements in the Application Process:
 - a. Tracking the Offer Process to identify any bottlenecks.
 - b. Initiated Rental Readiness process for ensuring applicants who are approaching the time they are likely to be offered housing to ensure a good fit with the housing selections made.
 - c. Implementing process improvements – allowing self-declaration of income.
 - d. Simplified Housing Application.
2. Improvement in the Tenant Relations area:
 - a. Implementation of a Rent Supplement Landlord Recruitment Strategy.
 - b. Launching of municipal Portable Housing Benefit program. For 2017 and 2018 there were six units; in 2019 Council approved a two year pilot of 22 units (adding 16 units). For 2020, Housing Services has submitted a base budget request for 63 units; this is in addition to the 22 supplementary units previously approved. These units are

- required to offset the loss of public housing units to market rent households. Eighty-seven percent of market renters are seniors now receiving their CPP benefits.
- c. Working to increase housing stability of tenants.
3. Program Administration for Private Non Profits (funded by Chatham-Kent):
 - a. Chatham-Kent is one of eight SM in the Housing Collaborative Initiative consortium agreement. Together, Arcori iSTCL Group (AIG) was hired to develop a SM software application (Integrated Housing System) that is expected to be launched in January 2020.
 - b. When implemented, this web-based software will allow Housing Providers to enter monthly statistics on the status of their units. This will allow for monitoring tenants who transition to market renters and any prolonged vacancy issues. Chatham-Kent will be able to better plan and address issues as they arise.
 4. Other comments:
 - a. Due to the initial unit count, even if all of the housing providers were on target 100%, the regular RGI SLS would still not be met.
 - b. Chatham-Kent Council has contributed significantly to the on-going financial viability of its social housing portfolio. One example is the provision of annual lifecycle funding to all housing providers, including both public housing and the private non-profits (PNP).
 - c. MMAH recent changes to the regulations for social housing will be very helpful. One significant change is that tenants are now allowed to refuse just one offer, down from three offers, before losing their place on the wait list. Another significant change is the immensely simplified RGI calculation, to be based on one line in the Notice of Assessment from Revenue Canada.

Consultation

The Program Manager, Housing Services provided Action Plan items for the Applications area. The Tenant Relations Manager provided Action Plan items for the Tenant Relations area and assisted with the statistical analysis of the public housing portfolio.

Financial Implications

The 2020 budget request for Housing Services includes a base budget request of \$279,336 for 85 units. In 2019 there were 22 units as a supplementary budget item. For the program to be effective, to get applicants to accept PHB in place of RGI assistance, the funding needs to be base funding.

If for some reason current public housing occupancy numbers do not decrease in the number of market renters, that can be adjusted in future years' budget requests. It is more likely however, with an aging population demographic in Chatham-Kent, that there will be a need for more PHB units versus less.

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Attachments: None