

Social Housing Business Transfer



Guide for Non-Profit and Co-operative Housing Providers

Working Document



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*Guide à l'intention des fournisseurs de logements sans but lucratif
et de coopératives de logement*



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I. Setting the Stage

Community-based agencies, such as non-profit housing corporations and co-operatives, are an important part of the social housing system. They provide a connection with the local community, which ensures responsiveness to local needs, and their base of volunteers helps to keep project costs down.

Over the years that the province has administered social housing in Ontario, the Ministry of Municipal Affairs and Housing has enjoyed a healthy and productive working relationship with housing providers. The ministry has recognized and benefited from the experience, expertise and local knowledge which make housing providers excellent partners.

Under the terms of *the Social Housing Reform Act, 2000* the responsibility for funding and administration of most social housing in Ontario is transferred to the municipal level of government. The partnership which has existed between community-based agencies and the Ministry of Municipal Affairs and Housing is now being transferred to the 47 Service Managers across the province.

The priority is to ensure that community-based housing providers and their representative associations continue to be involved throughout the transition process and that the relationships with the new municipal funders and administrators are healthy and

productive. Housing providers need to be kept fully informed of the process of the transfer of administration and the reform of the housing programs. Moreover, it is essential that Service Managers have the benefit of the experience of housing providers as they design their new administrative systems for the future.

The Social Housing Reform Act, 2000 requires that “before approving the (Joint Local Transfer) plan, the Service Manager shall consult with all affected housing providers in its service area”. In order to participate effectively in these consultations, housing providers need to be fully informed about the reform of social housing and about the process and requirements for the implementation of Joint Local Transfer Plans by the Service Managers.

A. What is the Purpose of this Guide?

The purpose of this Guide is to provide information to non-profit and co-operative housing providers about the transfer of social housing to the municipal level under the *Social Housing Reform Act, 2000*. While under the legislation the newly created Local Housing Corporations may also be referred to as “housing providers”, there is a separate Guide which specifically addresses their information needs. In this Guide “housing provider” refers to non-profit and co-operative housing providers.

At the municipal level, the responsibility for administration of social housing will be assumed by 47 Service Managers. “Service Manager” means a municipality, agency, board or commission designated by Regulations under the Act. At this time, all Service Managers are either municipalities or District Social Service Administration Boards (DSSABs) that have been previously designated as the delivery agents for the delivery of welfare and child care services under the *Ontario Works Act* and other provincial legislation. (For a Glossary of Terms, see Appendix 4.)

This Guide provides three different kinds of information related to the transfer:

- It provides an **overview of the process** that Service Managers will follow to plan and implement the transfer.
- Since Service Managers must consult with housing providers on their transfer plan, housing providers need to be aware of the **decisions that Service Managers face in developing their plans** and the areas in which provider input will be helpful.
- The Guide provides **details of program changes** occurring as a result of the *Social Housing Reform Act, 2000*. This includes rules which Service Managers must implement and areas in which Service Managers have discretion to choose how to proceed.

The Guide answers the following questions:

- How will social housing operate once devolution is completed?
- Who will be responsible for what?
- What will change for housing providers and how can they prepare themselves for the changes?
- What flexibility will Service Managers have in their approach to the administration of social housing and what provincial standards will they be required to meet?
- How will Service Managers plan for the transfer and what is the process for having those plans approved?
- What aspects of program delivery will benefit from provider input in the planning process?

The Guide is a comprehensive reference tool for housing providers throughout the business transfer. Where detailed information is not provided, the Guide will indicate where the information can be obtained or when it is expected to be available.

This document has been prepared by the Ministry of Municipal Affairs and Housing for the purpose of providing general

information only. It is not intended to and does not provide a legal interpretation of any statute or regulation. In the event of any concern or dispute, the reader should refer directly to the *Social Housing Reform Act, 2000* and any applicable regulations.

Regulations are currently in effect to govern the first stage of transfer. Additional regulations, and in some cases amendments to the current regulations, will be required to implement the second stage of transfer. Appendix 7 of the Guide shows the areas in which regulations are currently in place and where it is proposed that regulations be changed or added for the second stage of transfer.

In some areas, the Guide refers to policy directions that have not at this point been formalized as regulations. It is important to note that this information may be subject to some change as regulations are developed and approved over the coming months.

If any changes are made that have a significant impact on the contents of this Guide, amendments will be posted on the ministry's web site at [www.mah.gov.on.ca/houseinfo/houseinfo-e.asp#housing reform](http://www.mah.gov.on.ca/houseinfo/houseinfo-e.asp#housing_reform)

Parallel Guides have been prepared for Service Managers and for Local Housing Corporations. These Guides have been posted on the ministry's website. Each Guide is intended to stand alone. Information that is relevant to non-profit and co-operative housing providers is contained in this Guide, including much of the overview information that is provided in the other Guides.

B. How is Information Organized in this Guide?

Section I provides an overview of the changes that are occurring and describes the role of the Guide in providing information to housing providers.

Section II provides a description of the changes that will occur in the structures, roles and accountabilities of the major stakeholders in the social housing business as the transfer is implemented.

Section III is an overview of the Joint Local Transfer Planning Process and the requirements to be included in the Plan.

Section IV outlines selected aspects of the social housing program which are undergoing changes as a result of reform and devolution. For the purpose of this Guide, the focus is on non-profit and co-op housing programs. However, some program details will also apply to public housing and rent supplement.

The material in Section IV is very similar to some of the material in the Guide for Service Managers. The purpose, however, is somewhat different. The Section in the Service Manager's Guide is referred to as Business Practices and Processes and is intended to inform the Service Managers about the practices that they will be responsible for after the transfer; they need this information in order to prepare their organizations and administrative structures. For housing providers, Section IV is referred to as Program Reform Changes, since providers are familiar with the business practices and processes and are interested to know what is changing.

C. What is Being Transferred and When?

Funding responsibility for the province's share of public housing and provincially administered non-profit and co-operative housing was transferred to the municipal level effective January 1, 1998.

The Social Housing Reform Act, 2000 transfers responsibility for the administration of three program areas to the municipal level:

- public housing, including the private rent supplement program in privately owned buildings;
- provincial non-profit and co-op housing; and
- federal non-profit housing, including rent supplement in these projects.

A description of program areas being transferred is contained in Appendix 2.

The public housing transfer, which occurred first, is referred to in this Guide as the Stage One Transfer. It includes the transfer of staff, real property, moveable assets and third party agreements, including rent supplement agreements administered by Local Housing Authorities in privately owned buildings. This transfer was effective January 1, 2001.

The second transfer, referred to as the Stage Two Transfer, involves provincial non-profit and co-operative housing, as well as federal non-profit housing. For these programs, only program administration and funding responsibilities are being transferred. There is no transfer of real property associated with this second transfer. Each individual non-profit corporation and co-operative will continue to own and manage its properties.

Since this Guide is intended for non-profit and co-operative housing providers, its primary focus will be on the Stage Two Transfer. Information about the Stage One Transfer will be provided briefly, where needed to provide context.

1. Stage One Transfer

The public housing portfolio was transferred as a complete business to municipal jurisdiction on January 1, 2001. This was the quickest way for the province to give municipalities the “say for pay” that they have been seeking over a major piece of the social housing business. In addition, it gives Service Managers some direct experience in administering social housing beyond the experience that most municipalities have through membership on LHA boards or as sponsors of municipal non-profit housing. This experience will provide Service Managers insights into the public housing business, some of which will be relevant as they take over administration of the remaining social housing portfolio. It will also help them to determine whether to restructure public housing at a later time.

To implement the Stage One Transfer (public housing), 47 Local Housing Corporations (LHCs) have been created, each having the local Service Manager initially as its sole shareholder. The public housing business – including staff, real property, moveable assets and third-party agreements – has been transferred to the Local Housing Corporations.

Each Local Housing Corporation owns the properties within its service area, which corresponds with the geographic area covered by its Service Manager. Each Local Housing Corporation will manage properties in a manner similar to the way in which LHAs did previously. Service Managers have the option of making changes to the structure of Local Housing Corporations and the administration of the housing owned by Local Housing Corporations at any time after the transfer.

2. Stage Two Transfer

Responsibility for the administration of the provincial non-profit and co-operative housing programs and the federal non-profit housing programs (identified in Appendix 2) will be transferred in Stage Two. This includes rent supplement units in non-profit and co-op projects under the Community Sponsored Housing Program (CSHP) and the Ontario Community Housing Assistance Program (OCHAP).

For some time, Ministry of Municipal Affairs and Housing Regional Offices and Area Transition Teams have been working with the Service Managers to prepare for the Stage Two transfer. With the proclamation of the *Social Housing Reform Act, 2000* on December 14, 2000, the formal planning process has begun.



Part II Section 14

Service Managers have five months from the date of proclamation of the *Social Housing Reform Act, 2000* (December 14, 2000) to work with the ministry's Area Transition Teams to produce a Joint Local Transfer Plan (described more fully in Section IV of this Guide). The *Social Housing Reform Act, 2000* requires Service Managers to consult with all affected housing providers in the service area before approving the Plan.

The Joint Local Transfer Plan (JLTP) will describe how the Service Manager will prepare for the transfer of the provincial non-profit and co-operative housing programs and of the federal non-profit programs.

The Joint Local Transfer Plan should also reflect any changes that the Service Manager intends to make to the public housing program at the time of the Stage Two Transfer (such as integrating the administration of public housing with that required for the provincial and federal non-profit programs).

Service Managers will have up to 18 months from the date of proclamation of the *Social Housing Reform Act, 2000* to complete

the actual transfer of administration of provincial and federal non-profit housing programs. Each Service Manager will negotiate the dates of transfer with the ministry's Area Transition Team as part of its Joint Local Transfer Plan.

The period of time before the Stage Two Transfer will be a time for the Service Manager to gain familiarity with the business of social housing, to develop systems for social housing administration, to develop policies and procedures and to put in place the structures and staff to be responsible for ongoing administration.

These 18 months are also a time in which housing providers and Service Managers can establish or strengthen their relationship based on an understanding of the respective roles and expertise of each party. Consequently, Service Managers will be required to indicate in their Joint Local Transfer Plan how they will establish ongoing information sharing and consultation with housing providers.

D. How Have the Programs Been Reformed?

1. Program Changes

At the same time as responsibility for social housing is being transferred to the municipal level, the province is undertaking significant reform of the system to decrease administrative complexity, increase cost effectiveness and improve service to the community. The reforms will permit housing providers to operate on a business-like basis with greater autonomy to make decisions related to their day-to-day business.

Housing providers have been kept informed of the planned changes over the past years of discussion and program development. Sector organizations have represented the interests of housing providers in these discussions and, while not always in agreement, have assisted in sharing information with their members. As final decisions are

made on all aspects of program reform and devolution, there is a continuing need to ensure that housing providers are fully informed.

Housing providers need to understand the changes in the administration of the program which are the result of the *Social Housing Reform Act, 2000* and which, therefore, can not be changed by the Service Manager. As well, housing providers need to be aware of the program areas in which the Service Managers have the flexibility to design their own business practices and processes and establish different standards. Some of the standards, business practices and processes will have an impact on the work of housing providers. Housing providers will have the opportunity to be consulted and to provide advice on the directions that the Service Manager chooses during the development of the Joint Local Transfer Plan.

The Ministry of Municipal Affairs and Housing, through the Area Transition Teams, will make every effort, prior to program transfer, to fully inform housing providers and Service Managers about the program changes that are occurring.

2. Municipal Flexibility and Provincial Standards

The *Social Housing Reform Act, 2000* provides municipalities with the flexibility to administer social housing in their geographic area in a manner that responds to local needs and priorities. In addition, regulations to the *Act* will establish service level standards defining the number of RGI units, the number of high-need RGI units and the number of special needs units that must be maintained in each service area. The Act also establishes standards in a limited number of other areas to ensure a degree of consistency across the province and to preserve the integrity of existing housing providers and projects. (See Section IV. J for a full discussion of Provincial Standards)

Areas in which Service Managers have flexibility are outlined below: (The numbers in brackets indicate the section of the Guide where additional information can be obtained.)

- make changes to the RGI targeting/access plans of individual housing providers by up to 10 per cent of the market units, as long as the minimum requirements for the service area are maintained (IV.J.)
- create additional RGI units
- change the LHC structure at any time after the Stage One Transfer (January 1, 2001). (Some changes may require the approval of the Minister.)
- fund and administer public housing according to the system put in place by the province or make their own funding and accounting arrangements at any time after the transfer (IV.C)
- establish local eligibility requirements for RGI units where specifically permitted by the province (IV.N.)
- establish occupancy standards to determine the appropriate unit size for particular household compositions (IV.N.)
- set local priorities for access to RGI units (coordinated access) in addition to priority rules set by the province (IV.M.1.)
- determine how to carry out RGI intake and financial testing , including integrating administrative functions with Ontario Works and child care fee subsidies if they choose (IV.N.)
- enter into agreements with housing providers or other community organizations to carry out some or all of the Service Managers' activities (though they will remain accountable for administration and funding) (IV.B)
- enter into operating agreements with providers (IV.B.)
- make other changes to the operating framework by negotiation and mutual consent with the housing provider. (IV.B)

Service Managers will make decisions in some of these areas of flexibility beginning with the development of the Joint Local Transfer Plan. Housing providers should take the opportunity of the planning process to discuss these directions with their local Service Manager.

E. What Materials are Available for Housing Providers to Understand the Transfer Process?

This Guide integrates information from the *Social Housing Reform Act, 2000*, some of the Regulations to the *Act*, the federal/provincial Social Housing Agreement and other authorities which establish the requirements for transfer and administration of social housing. The Guide does not provide a legal interpretation of these statutes and regulations. In the event of any concern or dispute, the reader should refer to the *Act* and Regulations directly. A list of Regulations is attached as Appendix 7 and a copy of the *Social Housing Reform Act, 2000* is attached as Appendix 8.

Over the past two years, the province has provided information to Service Managers about the housing portfolio for which they will become responsible. The ministry issued a series of Data Releases which provided information specific to each service area. As the time for the Stage Two transfer approaches, the ministry will provide detailed information on each provider and project. This information will include targeting/access plans and client specific mandates which will be preserved under the *Social Housing Reform Act, 2000*. The ministry will consult with each housing provider to ensure the accuracy of this targeting and mandate information prior to issuing the Data Release. Since the targeting/access plans and mandates will be protected under not yet approved provincial Regulations, it is crucial that housing providers ensure that the information is accurate.

F. Are Service Managers Required to Provide Service in the French Language?



Part II Section 10 (5)
Part VI Section 97

The *Social Housing Reform Act, 2000* includes requirements related to service in the French language. Service Managers which provide services in an area that is designated in the Schedule to the *French Language Services Act* must provide their services, related to the provision of housing, in both English and French. The same obligation applies to Service Managers which administer a housing provider which was entitled, under an operating agreement, to receive services from *Canada Mortgage and Housing Corporation* in English and French before the transfer of the operating agreement to the Service Manager.

The Joint Local Transfer Plan submitted to the ministry should reflect these requirements and indicate the steps that will be taken to ensure that these requirements are met.



II. Governance, Roles and Responsibilities

A. Overview

At each stage during the process of social housing devolution, there will be changes to authority, accountability and responsibility for the completion of social housing functions.

Authority is the legitimate power to do something. Responsibility is the direct obligation to do something or to take care of something. Accountability is the ownership of responsibility, even when that responsibility has been delegated to others. Service Managers might assign the responsibility to carry out specific functions to others (for example, the responsibility for rent calculation may be delegated to housing providers). However, Service Managers remain accountable for this function and this accountability cannot be delegated.

The *Social Housing Reform Act, 2000* changes the roles and accountabilities of virtually everyone who is involved in delivery of social housing programs. The Stage Two Transfer will complete the transfer of responsibilities of the *Social Housing Reform Act, 2000*. This section of the Guide describes the governance framework, roles and accountabilities that will exist when the transfer is complete.

B. Governance Changes

Governance has two fundamental components:

- **to whom** is the organization accountable (e.g., a board reporting to shareholders, a non-profit or co-operative board reporting to members); and
- **by what authority** (rules) is the organization governed (e.g., legislation, formal agreements, professional standards).

The first component – to whom is the organization accountable – changes in the case of LHAs, which ceased to provide public housing after January 1, 2001 and LHCs, which assumed their housing responsibilities at that time. The LHC is accountable to a board that, in turn, is accountable to a municipal Service Manager (initially its sole shareholder). Service Managers have the authority to change the governance structure of LHCs at any time following the Stage One Transfer. Provincial approval is not required for any such change, provided that it is done within parameters prescribed by the province.

The *Social Housing Reform Act, 2000* does not change the body to whom Service Managers are accountable. Most Service Managers are municipalities, with a full range of authorities under other statutes such as the *Municipal Act*. Other Service Managers are District Social Services Administration Boards (“DSSABs”), which were created to provide social services such as Ontario Works and Child Care Program in the north, in areas that include territory

without municipal organization. Each DSSAB has a board comprised of representatives of the municipalities and other territories which it serves.

After the transfer, the two primary authorities (sets of rules) which govern social housing are the *Social Housing Reform Act 2000* and Regulations and an agreement between the federal government and the Province of Ontario concerning social housing (the federal/provincial Social Housing Agreement).



Part VI Section 91

Changes related to the accountability of non-profit and co-operative housing providers are limited. They will continue to be independent corporations accountable to community-based boards of directors. Service Managers have no authority to change the governance structure of non-profit and co-operative providers at any time except in cases of non-compliance with the *Social Housing Reform Act, 2000* (see Risk Management in Section IV.K.) The accountability of these housing providers to their funders will, however, be transferred from the province to the municipal level.

A significant change will occur in the authorities that govern provincial non-profit and co-operative housing providers. Specifically, at the point of the Stage II transfer, the provincial operating agreements with individual housing providers will cease to exist. The new operating framework is established in the legislation. While the legislation does not require an operating agreement between the Service Manager and the housing provider, Service Managers may choose to develop a document which clearly spells out the respective responsibilities of the parties and sets out the rules which are established by the Service Manager in areas of municipal flexibility.

Federal operating agreements and agreements where Canada Mortgage and Housing Corporation is a party (e.g. pre 1986 Municipal Non-Profit) will remain in place unless the Service Manager and the housing provider mutually agree to amend or terminate the agreement.

The Service Manager shares with the province any financial risk that might occur due to mortgage default. In order to mitigate this risk and to ensure appropriate accountability, the *Social Housing Reform Act, 2000* requires Service Managers to establish processes to monitor the performance of housing providers and to identify and manage projects in difficulty. The Service Manager is also required to report to the province on any projects in difficulty.

C. Changing Roles and Responsibilities

The Social Housing Reform Act, 2000 will affect the roles and responsibilities of most of the players involved in the delivery of social housing programs.

1. Housing Provider Role



Part VI Section 93

The role of the housing provider remains largely unchanged. Housing providers continue to be responsible for owning and managing housing for a variety of different client groups. However, with reform of the social housing programs, some specific responsibilities of housing providers may change. These changes are outlined in detail in the Program Reform Changes Section (Section IV).

On the other hand, there is a potential for a dramatic change in the **relationship** of housing providers with the funder and administrator. With local administration comes local accountability and the potential for a closer working relationship with the municipal Service Manager.

As well, the program reform that is established by the *Social Housing Reform Act, 2000* is intended to streamline accountability and to enable housing providers to operate with greater autonomy in a business-like manner.

Areas in which **responsibilities** previously held by the housing provider may be assumed by other parties are:

- investment of the providers' capital replacement reserves will be pooled by the Social Housing Services Corporation (see Page 20) on behalf of the providers; these reserves will continue to be assets of the individual housing providers;
- housing providers will no longer maintain their own waiting lists for geared-to-income units;
- responsibility for income testing and rent calculation may be assumed by the Service Manager;

2. Service Manager Role



Part II Sections 4–13

Once the transfer has been completed, Service Managers will assume responsibility for administration of all social housing programs in their service area. This will involve a direct relationship with the housing providers, including:

- funding social housing directly without provincial administration and municipal billing
- distribution of federal social housing funds to housing providers
- ownership of the shares of Local Housing Corporations which own the public housing in their areas. (At the point of transfer the Service Manager will own all the shares. However, shares may subsequently be transferred to other parties, resulting in the Service Manager becoming one of several shareholders.)
- ability to streamline administrative arrangements, within a provincial framework
- ensuring that service levels to tenants are maintained
- establishing a process to administer access and financial testing functions
- participate as Board members on the Social Housing Services Corporation
- ability to develop new housing programs and services.

3. Social Housing Services Corporation (SHSC)

Recognizing that some social housing functions can be more effectively addressed on a province-wide basis, the legislation provides for the establishment of a Social Housing Services Corporation (SHSC) – a municipally-controlled corporation, to manage the services of group insurance, capital reserve investment pooling, benchmarking (after initial establishment) and best practices and bulk purchasing on a province-wide basis.

The SHSC will assist Service Managers and providers (including LHCs) to administer their programs and projects cost-effectively. The functions of the Social Housing Services Corporation are limited in the legislation; housing providers will continue to have the same independence that they currently have to manage their day-to-day operations.

4. Provincial Role



Part VII
Sections 122–126

The province has established Service Level Standards which must be adhered to by Service Managers. The *Social Housing Reform Act, 2000* requires Service Managers to ensure that geared-to-income assistance continues to be provided to a prescribed number of households with incomes below a pre-determined household income limit and to a prescribed number of high need households. As well, Service Managers are required to ensure that transferred housing providers maintain a prescribed number of modified units.

The province will establish standards in a number of other areas to ensure a measure of consistency between municipal jurisdictions, to protect the rights and security of tenure for social housing residents and to preserve the integrity of existing housing providers and projects.

The province will flow funds received from the federal government to municipalities to address the costs of social housing, report to the federal government on the use of those funds and monitor compliance with the federal/provincial Social Housing Agreement.

The province will continue to play a role in mortgage renewals and risk management for non-profit and co-operative housing and in administration of dedicated supportive housing.

5. Federal Role



Part VII Section 134

The federal government will:

- flow funds to the province for programs covered by the federal/provincial Social Housing Agreement
- monitor the province's adherence to the terms of the Social Housing Agreement
- monitor compliance with federal principles for the use of federal funding in federally-funded housing projects
- continue to provide mortgage insurance under the National Housing Act
- continue to administer federal co-operative housing programs.

The charts on the following pages depict the evolution of roles for social housing from pre-devolution until the end state.

D. Evolution of Accountabilities and Roles

PROVINCIAL NON-PROFIT AND CO-OPERATIVE HOUSING			
Stakeholder	Pre-Proclamation Role	Stage One Transfer	Stage Two Transfer
Federal Government	Funding Partner (f/p units only)	Funding Partner (f/p units only)	Funding Partner (f/p units only)
Ontario Government	Administer provincial non-profit and co-operative housing programs Facilitate bulk financing for mortgage renewals Manage contingent liability Manage Risk (default risks, Projects in Difficulty) Administer provider reporting and accountability	No change	Transfer federal funds to Service Managers Monitor and enforce compliance with standards Define standards for coordinated access, income testing, eligibility, special needs Facilitate bulk financing for mortgage renewals Manage risk and provincial contingent liability Report to Federal Government
Service Managers	Funding Partner Sponsor of Municipal Non-Profits	No change	Funding Partner Administer provincial non-profit and co-operative housing programs Provide performance report to province. Manage Risk (default risks, Projects in Difficulty) Administer provider reporting and accountability Accountable for coordinated access system Accountable for income testing and eligibility determination Able to structure social housing system to meet local needs Accountable for rent supplement administration

PROVINCIAL NON-PROFIT AND CO-OPERATIVE HOUSING			
Stakeholder	Pre-Proclamation Role	Stage One Transfer	Stage Two Transfer
Non-profit and co-operative housing providers	Owner and manager of non-profit and co-operative housing units Accountable to province	No change	Owner and manager of non-profit and co-operative housing units Accountable to Service Manager
Social Housing Services Corporation	n/a	n/a	Accountable for centralized reserve fund pooling service for providers Accountable for benchmarking system for costs and revenues Administer bulk purchasing and insurance

FEDERAL NON-PROFIT HOUSING			
Stakeholder	Pre proclamation	Stage One Transfer	Stage Two Transfer
Federal Government	<p>Funder</p> <p>Administer Federal Non-Profit housing programs on behalf of Province, including:</p> <ul style="list-style-type: none"> • Manage contingent liability • Manage Risk (default risks, Projects in Difficulty) • Administer provider reporting and accountability • Ensure provider compliance with Operating Agreement 	<p>Funder</p> <p>No change until March 31, 2001</p>	<p>Funder</p>
Ontario Government	<p>Federal Portfolio became provincial responsibility in November 1999.</p> <p>Province relies on Canada Mortgage and Housing Corporation to administer portfolio until March 31, 2001</p>	<p>After March 31, 2001 province assumes administrative responsibility until Stage Two transfer point.</p>	<p>Transfer federal funds to Service Managers</p> <p>Monitor and enforce compliance with f/p Social Housing Agreement</p> <p>Facilitate bulk financing for mortgage renewals</p> <p>Manage risk and contingent provincial liability</p> <p>Report to Federal Government</p>
Service Managers	<p>Funding Partner</p>	<p>No change</p>	<p>Funder</p> <p>Administer Federal Non-Profit housing programs</p> <p>Manage Risk (default risks, Projects in Difficulty)</p> <p>Administer provider reporting and accountability</p> <p>Ensure provider compliance with Operating Agreement</p> <p>Provide performance report to province</p>

FEDERAL NON-PROFIT HOUSING			
Stakeholder	Pre proclamation	Stage One Transfer	Stage Two Transfer
Non-Profit Providers	Owner and manager of non-profit housing units Accountable to Canada Mortgage and Housing Corporation as administrator until March 31, 2001	Owner and manager of non-profit housing units Accountable to Province as administrator after March 31, 2001	Owner and manager of non-profit housing units Accountable to Service Manager as administrator.
Social Housing Services Corporation	n/a	n/a	n/a

III. Joint Local Transfer Plan



Part II Section 14

The objective of the Joint Local Transfer Plan is to demonstrate to the Minister and to the Service Manager's council or DSSAB board that the Service Manager is ready to assume responsibilities for the funding and administration of social housing in the jurisdiction. It is anticipated that the Plan will facilitate a smooth transfer process as it will ensure that all requirements have been addressed and that implementation will be coordinated between the Service Manager, the ministry, housing providers and other affected parties.

This section describes the **principles, process and content** requirements for Service Managers to develop and approve Joint Local Transfer Plans.

A. Principles

- The Joint Local Transfer Plan (JLTP) must be developed, approved by council (or in the case of DSSAB Service Managers, by the board) and submitted to the ministry no later than five months following proclamation of *the Social Housing Reform Act, 2000*. (December 14, 2000)
- Before the council or DSSAB board approves the Joint Local Transfer Plan, the Service Manager must consult with all housing providers in the service area. Local Housing Corporations and non-profit and co-operative housing providers should be involved in development of those aspects of the Transfer Plan which will have a direct impact on them.
- Final approval is dependent on all components of the plan being completed in accordance with requirements.

B. Joint Local Transfer Process

There are several steps involved in developing a Joint Local Transfer Plan, including the following:

- The Service Manager will collaborate with the ministry's Area Transition Team to prepare the Plan. Joint Planning Teams will be established in each service area to manage and bring together the resources and expertise required for the preparation of the JLTP. The team will be comprised of staff of both the Service Manager and the ministry's Area Transition Team.
- Service Managers are required to consult with all housing providers in their service areas before submitting the JLTP to their council or DSSAB board for approval. Planning for this step will need to be considered early in the process. The Planning Team may choose to involve housing providers in discussions throughout the process of developing the JLTP or it may consult with housing providers with a Plan in draft form.

- Before the final Joint Local Transfer Plan is submitted to the ministry for approval, it must be approved by the council of the Service Manager (or in the case of a DSSAB, the board of the DSSAB).
- The Minister will review the plan and decide whether to approve it within 30 days of the receipt of the final plan.
- For Service Managers who do not submit a plan or if the Plan is not approved by the Minister, the Minister may modify the Plan or choose a replacement Service Manager to perform the duties of the Service Manager.

C. Joint Local Transfer Plan Requirements

Each Service Manager's council or board will have its own expectations of what should or should not be included in a Joint Local Transfer Plan. Each plan submitted to the Minister for approval will be unique.

The ministry has developed a Service Manager Checklist (contained in Appendix 5) that Service Managers are required to complete and affix to the front of their Joint Local Transfer Plans.

IV. Program Reform Changes

A. Introduction



Part VI
Sections 102–111

This Section of the Guide describes a number of areas of the Social Housing programs which have undergone change as a result of the *Social Housing Reform Act, 2000*.

The material in this Section is very similar to some of the material in the Guide for Service Managers. The purpose, however, is somewhat different. The Section in the Service Manager's Guide is referred to as Business Practices and Processes and is intended to inform the Service Manager about the practices that they will carry out after the transfer; they need this information in order to prepare their organization and administrative structures and to prepare their Joint Local Transfer Plan. For housing providers, Section IV is referred to as Program Reform Changes, since providers are familiar with the business practices and processes and are primarily concerned with what is changing.

This Section of the Guide provides detail on program components to familiarize housing providers with the changes that will occur. As well, it will identify the areas in which Service Managers have the

flexibility to make decisions about the administration of the program. Service Managers will design the way in which they will perform their new responsibilities in each of these program areas.

These areas of flexibility are of particular importance for housing providers during the transition period. Service Managers are required to consult with housing providers as they develop their Joint Local Transfer Plans. Many of the areas of flexibility will require decisions to be made by Service Managers as they prepare their Joint Local Transfer Plans.

In some cases this Section also describes the business processes that have been used by the ministry to manage certain aspects of the social housing programs in the past. The Service Manager may choose to adapt or adopt these ministry business practices or to design new business practices and processes. Where business practices are required to change as a result of legislation or regulations, the Service Manager will design new business practices and processes.

Since this Guide is intended for non-profit and co-operative housing providers, this part of the Guide (Section IV) describes business practices and processes that relate directly to the Stage Two Transfer.

The areas of program reform that are most relevant to housing providers are:

1. Operating Framework
2. New Funding Model
3. Benchmarking and Best Practices
4. Funding and Administration of Federal Programs
5. Rent Supplement Program
6. Capital Planning (including capital reserve pooling)
7. Mortgage Financing and Mortgage Renewals
8. Monitoring and Reporting
9. Service Level Standards

10. Risk Management
11. Social Housing Services Corporation
12. Access to Social Housing
13. Financial Testing and Rent Calculation
14. Bulk Purchasing
15. Group Insurance

Federal Programs

Service Managers will receive a program manual for each federal program outlining business practices. Included in each program manual will be the program's standard operating agreement and forms that are to be used for the purpose of operations. The manuals will provide a program overview, detail the operations of the program and underline key portfolio management activities. The manual will list what aspects of the program are clearly spelled out in the operating agreements and are, therefore, unchangeable, and what aspects of current operations may be changed under the direction of the Service Manager. The obligations and responsibilities of the Service Manager to the province, the housing provider and Canada Mortgage and Housing Corporation will be clearly spelled out in the manual.

B. Operating Framework

1. Situation Prior to Transfer

a) Provincial and Federal/Provincial Non-Profit and Co-operative Housing Program

Currently the Ministry of Municipal Affairs and Housing administers co-operative and non-profit housing projects built under provincial and federal/provincial housing programs. The regulatory framework for these projects is set out in operating agreements between individual housing providers and the province. Most of these agreements are registered on the land title of each project.

Non-profit housing in Ontario was developed under five programs, each with its own operating agreement. Five different operating agreements outline the funding and accountability relationships of the housing providers and the ministry. The programs are:

- The Federal/Provincial (F/P) Non-Profit Housing Program;
- The Federal/Provincial (F/P) Co-operative Housing Program;
- The Provincial Non-Profit Housing Program;
- The Provincial Co-operative Housing Program; and
- The pre-1986 Municipal Non-Profit (MNP) Housing Program.

For the pre-1986 MNP Program, Canada Mortgage and Housing Corporation is also a signatory, though administration has been a provincial responsibility.

Within each of the provincial and federal/provincial programs, the province and the housing provider are bound by 35-year operating agreements.

Non-profit and co-operative housing provider boards of directors have a duty to ensure that the terms of operating agreements are honoured and that all operational policies mandated by the ministry are followed. Within this structure, housing providers operate their day-to-day business.

Oversight has been provided by the ministry in the following ways: review of annual information returns and audited financial statements, periodic operational reviews (five-year cycle) and risk management, including management of projects in difficulty.

Ministry staff have provided guidance and advice to housing providers on request. Requests for advice were most frequent in the following subject areas: tenancy issues; geared-to-income program administration; applicant placement processes and capital repair plans (plan development, specifications, tendering).

Some of the subject areas covered in the agreements and appendices or schedules to the agreements are:

- how subsidies to housing providers are calculated – operating subsidies and rent subsidies;
- the targeting/access plan of the housing provider;
- the methods to be used by the housing provider to establish waiting lists and determine applicant placement order;
- the requirement that housing providers administer the rent-geared-to-income program;
- the relationship of the housing provider to its tenants/members;
- the financial obligations of the housing provider to run its projects and to submit budgets and financial reports to the ministry;
- the events which constitute a breach of the operating agreement; and
- the remedies which the ministry may employ to ensure that a breach of the operating agreement is resolved.

Housing providers within provincial non-profit housing programs have signed the *Portfolio Operating Agreement for Provincial Social Housing Programs*, a key feature of which is the inclusion of *Ministry Requirements*. *Ministry Requirements* allow the ministry to make changes to program details without amending the original agreement. These changes are in the form of Directives from the ministry, which become part of *Ministry Requirements*.

Co-op housing providers within provincial non-profit housing programs have signed the *Co-operative Project Operating Agreement*. This agreement allows the ministry to make changes to the schedules to the operating agreements and to some other elements of the program.

Program changes, which were implemented by Directives, were extended to non-profit housing providers in all federal/provincial and provincial programs, and in some cases, to all co-operative housing providers in federal/provincial and provincial programs. Some important changes were: conflict of interest requirements; requirements for tendering for property management services; new income targeting requirements and requirements to establish co-ordinated access systems.

b) Public Housing Programs

In addition to the programs listed above, the province developed and funded new housing under the public housing program. This program was operated under the direction of Ontario Housing Corporation. Local Housing Authorities (LHAs) acted as the delivery agents for OHC. Because public housing was developed to operate under direct provincial management, no operating agreements were signed. LHAs had management agreements with OHC, but these agreements did not contain equivalent provisions for funding and accountability.

c) **Federal Housing Programs**

In November 1999, the ministry and the federal government signed a Social Housing Agreement under which Ontario assumed responsibility for the federal non-profit housing programs built under sections 26, 27, and 95 of the *National Housing Act*. The province also assumed responsibility for the Rural and Native Housing Program. The federal non-profit programs continue to be administered by Canada Mortgage and Housing Corporation (CMHC) on behalf of the province until March 31, 2001. Responsibility for federal co-operative housing projects will remain with CMHC.

Under the terms of the federal/provincial Social Housing Agreement, agreements between housing providers and CMHC may not be terminated or amended without the consent of individual housing providers.

d) **Other Geared-to-Income Assistance Programs**

In addition to the operating agreements for housing constructed or acquired through supply programs, the ministry also funds the Community Sponsored Housing Program, the Ontario Community Housing Assistance Program and other small rent supplement programs. These programs provide rent supplements to housing providers with federal operating agreements and are dealt with in the section on Rent Supplement (IV.F).

The Private Rent Supplement program (also known as the Commercial Rent Supplement program) provides rent-geared-to-income subsidies to households who are residing in privately-owned buildings. Private landlords have entered into contracts with Local Housing Authorities to allow the placement of applicants. Ongoing administration of this program was the responsibility of the Local Housing Authorities.

See Appendix 2 for a complete list of the programs to be transferred to the Service Manager.

2. What is changing?

The *Social Housing Reform Act, 2000* will terminate all operating agreements between non-profit and co-operative housing providers and the province. The operating framework under which the housing providers and Service Managers will operate is contained in the legislation and associated regulations. Standards and guidelines that relate to the operating framework include regulations with respect to annual reporting, selecting tenants/members, maintenance of projects, participation in the Social Housing Services Corporation, selection of property management firms and staff, and conflict of interest.

Operating agreements to which CMHC is a signatory will not be terminated. These agreements will be transferred to Service Managers by a Transfer Order as outlined in the legislation. However, housing providers and Service Managers may, by mutual agreement, choose to operate the federal projects under the rules established by the *Social Housing Reform Act, 2000*.

Housing providers will continue to operate independently, within the framework set out by the legislation. The Service Managers will provide oversight as the province did and may use similar mechanisms to meet their responsibilities and to ensure compliance.

The operating framework contained in the legislation, along with the associated regulations, will largely mirror the existing operating agreements and associated operational policies. However, changes will occur in the following areas:

- Housing providers will be required to participate in a common waiting list system established by the Service Manager. Housing providers will no longer be able to keep their own waiting lists for geared-to-income units or subsidies. (See IV.M for details.)

- The responsibility for administering the rent-geared-to-income program will be shifted to Service Managers, but may be delegated to housing providers, by agreement with the housing providers. (See IV.N for details.)
- The existing funding models (used to determine the subsidy to be paid to each provider) will be replaced by a new funding model for all provincial non-profit and co-operative housing. (See IV.C for details.) The public housing program may also be subject to this funding model, if the Service Manager chooses. This model may also be used for federal projects if there is an agreement between the Service Manager and the housing provider to do so.
- Key program features of prior years will be carried forward, including conflict-of-interest requirements; participation in a group insurance program (See IV.P); tendering requirements for property management services; targeting/access plans for each housing provider.
- It is proposed that the pooling of capital reserves for investment purposes through the Social Housing Services Corporation be mandatory. (See IV.G.1.)
- Remedies available to the Service Manager for breaches of the operating framework will be strengthened. (See IV.K.)

In addition to the provincial requirements, Service Managers will have the discretion to establish rules of their own in several areas. (See I.C.2.)

3. How Will Service Managers Administer the Operational Framework?

The *Social Housing Reform Act, 2000* provides sufficient direction to establish an operating framework for housing providers and Service Managers without a formal written operating agreement. The ministry will develop a document which sets out the expectations and rules established by the legislation and related regulations.

The Service Manager will need to establish an appropriate mechanism to communicate municipal requirements which are not set out in the legislation or provincial regulations.

While the legislation does not require an operating agreement between the Service Manager and the housing provider, Service Managers may choose to develop a document which clearly spells out the respective responsibilities of the parties and sets out the rules which are established by the Service Manager in areas of municipal flexibility.

4. What Data Will Service Managers Receive from the Ministry?

The ministry will provide to Service Managers basic data on the provincially administered projects and all the data available from CMHC on the federally administered projects. The following information will be provided to the Service Manager by the ministry at the time of transfer:

- Corporate names
- Addresses
- Geographic area in which provider is located
- Number of units and unit type
- Construction type
- Mandate of the provider
- Targeting/access plan of the provider
- Board contacts and staff contacts for the provider
- Current budget of the housing provider and current subsidy payments
- Most recent financial statement
- Operational Review reports and history of projects in difficulty
- Once the benchmarks have been established, benchmark data for all provincial housing providers

Service Managers and housing providers should review this material together as soon as it becomes available to ensure accuracy and to address any issues or concerns.

C. New Funding Model

1. Introduction

The cost of providing housing is generally higher than the rent paid by tenants/residents for that housing. Therefore, it is necessary for the government to provide a subsidy to bridge the gap between costs and the rents paid by residents of social housing. Programs established over the past 50 years have used different methods of calculating the amount of subsidy to be provided. The term *funding model* is used here to describe the mechanism which will be used to determine the amount of subsidy provided to a housing provider whose operating agreement will be terminated under the *Social Housing Reform Act, 2000*.

The *Social Housing Reform Act, 2000* establishes a new funding model for provincially funded non-profit and co-operative providers that will replace the various models that have been used in the past. The new model has several objectives, including:

- a. To provide predictable funding levels
- b. To eliminate unnecessary complications, including complex reporting requirements
- c. To be usable in all areas of the province
- d. To provide incentives for providers to operate efficiently
- e. To be responsive to major economic changes

The new funding model will benefit both housing providers and municipalities. Housing providers will gain autonomy, funding predictability and streamlined accountability. In return, providers will be required to operate within established cost and revenue benchmarks and will make mandatory payments to help offset municipal subsidy costs. Also, this streamlined approach to funding will reduce administrative costs and oversight for the Service Managers.

Prior to devolution of non-profit and co-operative housing to the municipal level, the province will provide the information and tools needed by the Service Manager to calculate subsidies and administer the program on an ongoing basis. At the point of transfer the province will provide:

- a. calculation of annual subsidy to each provider
- b. benchmarked data (or transitional subsidy levels until benchmarked data is available)
- c. reporting requirements
 - timing
 - forms
 - information to be collected
 - financial system requirements

2. The Model

This section describes in detail the way in which the subsidy is calculated.

Under the new funding model, Service Managers will not approve housing providers budgets on an annual basis. The housing provider's subsidy will be determined by the following funding model and the housing provider will be expected to operate within the revenue provided by the subsidy and rents from residents. Where a housing provider is unable to operate financially within the model, the Service Manager may choose to provide additional funds and, as a consequence, require additional reporting and approvals.

- a. **Use benchmarked costs and revenues to establish the level of affordable debt for each project.**

Benchmarking

Prior to the beginning of the providers first fiscal year after transfer, the provider's project will be 'benchmarked'. This means that revenues and operating costs will be established on which the

subsidy will be based. See Section IV.D., following, for further discussion of the benchmarking process. Benchmarks will include the following key components of the project's operations:

- Market Rents
- Vacancy Loss
- Non-Rental Revenue (parking, laundry, interest, etc.)
- Manageable Costs (salaries, maintenance, etc.)
- Utilities
- Allocation to Reserve for Future Capital Replacements

Benchmarked revenues are calculated assuming market rents for all units in the project, including units rented on a geared-to-income basis.

Until benchmarking standards have been set (they are expected to be set by summer of 2001), the housing provider's current revenue and operating cost figures will be used as an interim measure. Once the benchmarked costs and revenues are available, the benchmarks will be used at the beginning of the housing provider's next fiscal year.

Net Operating Income (NOI)

Next, the "Net Operating Income" for the project for the benchmark year is calculated by deducting the benchmarked operating costs from the benchmarked revenues.

$$\text{NOI (for benchmark year)} = \text{Benchmarked Revenues} - \text{Benchmarked Costs}$$

$$\text{NOI (subsequent years)} = \text{Shelter Revenues (determined in same manner as Benchmarked Revenues)} - \text{Operating Costs (determined in same manner as Benchmarked Costs)}$$

Affordable Mortgage Payment (AMP)

The project's Net Operating Income for the benchmark year is the amount available for debt repayment or the "affordable mortgage

payment” for the project. The affordable mortgage payment is fixed for the remainder of any mortgage guaranteed by the Province of Ontario. Any future adjustment to the affordable mortgage payment will require a new benchmarking exercise which would be carried out by the ministry.

$$\text{AMP} = \text{NOI (in benchmark year)}$$

b. The Service Manager will make subsidy payments to the housing provider based on the cost of the unaffordable portion of the mortgage debt

Mortgage Subsidy

The affordable mortgage payment will normally be less than the actual mortgage payments on the project. The Service Manager will provide a subsidy equal to the difference between the actual mortgage payments and the provider’s affordable mortgage payments.

The actual mortgage payment may change over time due to changes in the interest rate. However, since the provider’s affordable mortgage payment is fixed for the life of the mortgage, the interest rate risk is held entirely by the Service Manager.

$$\text{Mortgage Subsidy} = (\text{Total Principal \& Interest for year on mortgages guaranteed by the Province of Ontario}) - \text{AMP}$$

c. The housing provider will make annual mandatory repayments to the Service Manager

Increases in the revenues of the project due to market increases (less costs) are returned to the Service Manager. The “mandatory payment” will be based on the overall inflation in general market rents (based on the market rents for all units multiplied by an index) less a proportion of operating expenses defined as the “operating expense ratio”.

Operating Expense Ratio (OER)

The operating expense ratio establishes the share of revenue increases to cover expected inflationary increases in operating costs. The OER is a constant, established in the benchmark year (Benchmarked Costs/Benchmarked Revenues). The method of calculating the mandatory payment is to use the OER to establish the share of the projected increase in market rent revenues which is required to cover operating costs. This is formula-based, and it is totally dependent on the general increase in market rents – if the provider’s operating costs rise by less than this amount, they will generate a surplus; conversely, if operating costs are higher, they will experience a shortfall.

$$\text{OER} = \text{Benchmarked Costs} / \text{Benchmarked Revenues}$$

Market Rent Index

The market rent index is based on an independent measure of the rental market in the surrounding community. The CMHC annual market rent survey is recommended as the basis for a rent index. It is also recommended that the indexation of rents should be “lagged” to reflect changes in market rents in the previous year.

$$\text{Mandatory Payment} = \text{Revenue Increase over base year} - (\text{Revenue Increase over base year} \times \text{OER})$$

d. Project surpluses after the mandatory payment will be shared 50/50 between the provider and the Service Manager

If the provider generates a surplus after the mandatory payment, the remaining surplus is shared equally between the housing provider and the Service Manager (50/50). Providers must use their share of the surplus for eligible project expenditures or as a contribution to replacement reserves.

$$\text{Project Surplus} = \text{NOI}_{(\text{fiscal year})} - (\text{AMP} + \text{MP})$$

The legislation will allow certain housing providers to contribute to an operating reserve fund prior to the sharing of any remaining surplus, based upon the rules and conditions prescribed by the Minister. The regulations will specify which housing providers would be permitted to generate an operating reserve from surplus and specify the conditions.

e. The amount of rent-geared-to-income subsidy will be calculated based on the lesser of actual rents or indexed market rental revenue less the RGI rental income

In addition to the mortgage subsidy, the Service Manager will provide subsidy to make up the difference between market rents in the project and the rents calculated for RGI tenants (market rents – RGI revenue). The RGI subsidy will be based on the lesser of the actual rent charged by the provider to the tenant or the indexed market rent. Thus, if the provider raises rents by less than the index rate, the RGI subsidy will not increase to the same extent. Conversely, if the provider sets market rents above the indexed amount the Service Manager will not be exposed to larger subsidies, but the provider will generate additional revenues on the non-RGI market units.

$$\text{RGI Subsidy} = [\text{lesser of indexed market rents or actual market rents for RGI units}] - [\text{amount of RGI revenue payable by household in RGI units}]$$

f. For public housing and other projects with 100% RGI tenants there will be a different funding formula.

Due to the fact that in 100% RGI projects there are no market rents, the funding model described above does not work as there would be no affordable mortgage payment for these housing providers. The funding model that follows is unique for these housing providers.

There will still be two streams of funding from the Service Manager:

- The mortgage subsidy – since the provider’s operating costs will be in excess of RGI revenues, there will be no affordable mortgage payment. The subsidy from the Service Manager will cover the full mortgage payment.
- The RGI subsidy – this will cover the difference between benchmarked (break-even) operating costs and RGI rents.

Operating costs will be benchmarked in the base year. An index will be applied in future years to establish reasonable operating cost increases. The RGI subsidies will continue to be the difference between these indexed costs and RGI revenues. Any surplus generated by actual operating costs being lower than the indexed operating cost will be shared equally between the provider and the Service Manager.

The model designed for public housing is to be implemented at the discretion of the Service Manager after transfer of public housing to the Service Manager has been completed.

3. Federal Non-profit Housing

Federally funded housing projects (where CMHC is a signatory) will be unaffected by reform to the funding model. However, since the operating agreements for this housing can be amended by mutual agreement with the housing provider, Service Managers may choose to negotiate the extension of the new funding model to the federal portfolio. This would increase the efficiency of municipal administration and extend the benefits of the model to federally funded housing providers.

4. Municipal Administration



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Sections 112–114

To implement the funding model, the housing providers will need to report certain information, including:

- unit market rent data
- Index data (to be determined)
- project data
- mortgage data
- annual financial data

To assist with the timely implementation of the funding model, the province will provide the following information to the Service Managers, for each provider:

- benchmarked revenues
- benchmarked operating costs
- affordable mortgage payment
- appropriate market rent index
- operating expense ratio

If the benchmarks are not available at the point of transfer, the housing provider's current revenue and operating cost figures will be used as an interim measure. Once the benchmarked costs and revenues are available, the benchmarks will be used at the beginning of the housing provider's next fiscal year. The Service Manager and the housing provider will have the opportunity to review the subsidy resulting from the benchmarks and to agree on a phase-in, if necessary.

As well, the province will provide the following administrative tools:

- reporting forms and procedures (e.g., annual subsidy request, annual information return, audited financial statement forms)
- training and education materials

- guidelines for implementation of funding model
 - transitional provider data (including RGI subsidy payments)
 - circumstances under which to adjust funding levels
- specifications for a system design.

This information will be provided to Service Managers as soon as it is available.

The Joint Local Transfer Plan must demonstrate that the Service Manager is prepared to administer the new funding model. A number of other aspects of program reform including mortgages/debentures, reserve funds, subsidy payments and management of federal transfer payments are all related to the effective functioning of the funding model. The Service Manager must specify:

- when the transfer will occur
- readiness to implement benchmarks during the *next* fiscal year of the provider following devolution
- how they will manage the year-end reconciliation of subsidy payments
- rules on financial responsibilities

Service Managers will be required to report and monitor based on the *reporting requirements* outlined in legislation. (See Section IV.I.)

D. Benchmarking and Best Practices



Part VI Section 107

1. Initial Benchmarking

The new funding model depends on “benchmarks” for costs and revenues to establish the initial subsidy. Once the initial benchmarks are established the mortgage subsidy thereafter will be determined by a formula which builds on these initial benchmarks. The initial benchmarks will, therefore, have a lasting impact.

The **Social Housing Financial Benchmarking team**, which has Service Manager and housing provider representation, was established by the ministry in mid-2000. The team, with the assistance of an outside consulting firm, is currently developing initial benchmarked costs and revenues for each housing provider. These benchmarks are needed in order to run the new funding model. This one-time exercise will help determine the level of funding needed to run each housing provider’s operation. The ministry is examining accepted levels of service delivery and their associated costs and revenues, in consultation with expert panels, to establish the initial benchmarks for the new funding model.

2. Best Practices and Ongoing Benchmarking

A second team, the **Benchmarking and Best Practices team**, which also has Service Manager and housing provider representation, is responsible for establishing tools (best practices and related benchmarks) to help housing providers improve management performance while delivering improved service to residents.

Once initial best practices and benchmarking processes have been established, the Social Housing Services Corporation will provide advice to the province, Service Managers and housing providers with respect to the establishment and ongoing use of benchmarks

and best practices. (See Section IV.L for a description of the Social Housing Services Corporation.)

Work underway by the **Benchmarking and Best Practices team** includes:

- *Identifying and collecting “best practices”*: Best practices are recognized cost-effective ways of delivering housing services which other housing providers may consider using or adapting in their operations.
- *Setting of performance indicators* (e.g. rent arrears): Performance indicators can provide an insight into the operational efficiency and effectiveness of a housing provider’s operations relative to other providers.
- *Recommending a web-based tool to track housing provider performance and best practices*: The web-based tool will facilitate easy real-time access to the most up-to-date best practices and performance information for providers. Access to this information will enable providers to find comparable organizations to continuously assess their performance. The web-based tool will also provide access to validated best practices so that providers can institute improved management practices.

All of this work is expected to be complete by mid-2001. Once the work is completed initially, the Social Housing Services Corporation will be responsible for the management of these activities at a province-wide level on an ongoing basis.

The terms of reference for the **Social Housing Financial Benchmarking team** and the **Benchmarking and Best Practices team**, and the expert panels which will advise them, are attached as Appendix 6.

E. Funding and Administration of Federal Programs

How does this aspect of the program work prior to transfer?

The federal government provides funding to the province to cover the costs associated with the federal unilateral and federal/provincial cost-shared programs (See Appendix 2 for the list of programs). The province uses these funds to reimburse housing providers for their costs. Under the current municipal billings process Service Managers are not charged for these costs.

Some projects are cost-shared between the federal government and Service Managers; other projects are funded solely by the federal government. For some of the cost-shared projects the province has provided the full amount of the subsidy to the housing provider and received reimbursement from the federal government. Other projects receive two separate payments, one from the federal government and one from the province.

What is changing?

The ministry will continue to ensure that federal funding is provided to the relevant housing provider until transfer. After the business transfer, federal funding will be flowed through to Service Managers by the province. Service Managers will pay housing providers directly for all federal social housing costs.

At the time of the Stage Two transfer the administration of the federal programs will be transferred to the Service Manager. However, under the terms of the Social Housing Agreement with CMHC, current operating agreements remain in place. The housing providers have the right to continue to be administered and funded as per their existing operating agreements with CMHC. However,

the housing providers can choose to be administered and funded under the new funding model if they and the Service Manager agree to the change.

F. Rent Supplement Program



Part VI Section 91

1. Background

The Rent Supplement Program is used as a mechanism to provide geared-to-income assistance to individuals in existing rental housing. Private or Commercial Rent Supplement is the name given to Rent Supplement units located in private for-profit rental housing. As well, some Rent Supplement is provided in non-profit and co-operative housing. It is important to distinguish Rent Supplement from the geared-to-income subsidized units which are provided under the operating agreement in non-profit and co-operative projects. Rent Supplement subsidies are straight-forward payments equal to the difference between the geared-to-income rent paid by the tenant and the “market” rent for the unit occupied.

The province currently administers about 10,000 “rent supplement” units in federally funded non-profit projects through the Ontario Community Housing Assistance Program (OCHAP) and the Community Sponsored Housing Program (CSHP).

The rent supplement program provides a subsidy to the landlord equal to the difference between an approved market rent and the rent paid by the tenant based on a rent geared-to income calculation.

2. Practice Prior to Transfer

Rent supplement agreements in non-profit and co-operative buildings were approved by ministry Regional Offices and administered by the ministry as part of overall project administration.

Under the province's Homelessness Initiative, \$50 million annually has been made available to fund additional rent supplement units. To date, 7,500 units (including 2,000 for supportive housing) have been allocated in both private for-profit housing and non-profit housing. Additional units may follow, depending on program cost and take-up.

Eligibility for these new rent supplement units was extended to non-profit providers in September 2000. Both private and non-profit landlords can now enter into agreements. Agreements can be 3, 4 or 5 years. For private landlords, these agreements are administered by the LHAs. Non-profit providers will enter into agreements directly with the ministry.

Service Managers are currently involved in the review of applications from landlords for the 7,500 regular rent supplement units under this program. For the 2,000 supportive housing units, the provincial support ministries (Ministry of Community and Social Services and Ministry of Health and Long-Term Care) may assume some responsibility for allocation of units, based on units designated for each of their administrative regions.

3. Transfer to Municipalities

Private Rent Supplement Agreements were transferred to Local Housing Corporations by Transfer Order effective January 1, 2001. Administration of these agreements was transferred to Service Managers at that time.

Rent Supplement units administered by the ministry in non-profit and co-operative projects under the Ontario Community Housing Assistance Program (OCHAP) and Community Sponsored Housing Program (CSHP) will be transferred at the time of the Stage Two transfer reflected in the Joint Local Transfer Plan. Agreements with federal co-ops (Index Linked Mortgage Program (ILM), OCHAP and CSHP) have been transferred to CMHC under the federal/provincial Social Housing Agreement.

Many of the rent supplement agreements under OCHAP and CSHP have expired. The province will renew or replace these agreements for a 3-to-5-year term (provider's choice) prior to their transfer to the Service Manager. These units are counted as part of the Service Level Standards set by the province. (See Section IV.J.)

Service Managers will be responsible for funding and administration of all rent supplement units upon transfer. In the case of units developed under the Provincial Homelessness Initiative, funding will be provided by the province through the transfer of federal funding to the Service Manager. These rent supplement units developed under the Homelessness Initiative will not be included when determining the provincial service level standard for RGI units to be maintained in each service area.

Service Managers will have the option of renewing any rent supplement agreements at the end of the term. The Service Manager must maintain the provincial service level standard for total RGI units in its area at all times. Should the agreement not be renewed, the current standard for the treatment of in-situ tenants will continue; a household will continue to pay a geared-to-income rent until they either leave the unit or are no longer eligible. Subsidy will continue to be paid to the landlord as long as the household remains in the unit and is eligible for RGI assistance.

4. What Standards or Guidelines Will the Province Set Following Transfer?

The province will set service level standards for RGI, rules for RGI calculations and rules for common waiting lists. Although federally funded projects are not required to participate in the common waiting list, housing providers with a rent supplement agreement will be required to follow a similar process for access as outlined in their existing agreement. For example, if an agreement required that a housing provider fill vacant units alternately from the coordinated access system and their own waiting list, after transfer the same provider will have to fill their units by alternating

between the common waiting list system and their own waiting list. Service Managers will be required to track rent supplement units to meet provincial requirements for service level standards for RGI. (See Section IV.J.)

G. Capital Planning and Expenditure

1. Introduction

Many components of a housing project are not expected to last for the life of the project or even for the life of the mortgage. Examples of components that will wear out and need to be replaced are appliances, carpeting, make-up air units, windows, concrete balconies, roofs and many other costly items. The cost of replacing these components is greater than can reasonably be paid out of the yearly operating budget. For this reason, provincial and federal/provincial non-profit and co-operative housing programs provide for the accumulation of capital reserves.

Capital (replacement) reserves are also provided in the federal section 95 programs. For housing providers with operating agreements under section 26 or section 27 of the *National Housing Act*, capital reserves may have been provided; it varies from project to project.

2. Capital Reserves

Through their yearly operating budgets, non-profit and co-operative housing providers put aside an allocation to a reserve for future capital replacements. In the early years of a project, all project components are new and many are under warranty. Consequently, the housing provider is able to accumulate a sizeable reserve to fund future replacements.

Each individual housing provider must comply with the sections in their operating agreement and/or ministry requirements that refer to replacement reserves/capital reserves. Only those capital repairs and replacements which meet the definition of a capital reserve expenditure, as set by the ministry or CMHC respectively, may be funded from the reserves.

3. Investment of Reserves

Providers must keep their reserves segregated from their operating funds. Interest accruing on the funds must be returned to the funds. Operating agreements restrict investments to bank accounts, GICs, government bonds, Canadian dollar money market mutual funds and Treasury bills. Average rates of return have been low, as individual providers may not have the clout or the expertise to achieve higher rates. Although it has been the subject of much discussion, there is currently no pooling of capital replacement reserves by non-profit and co-op housing providers.

Some housing providers have commissioned technical audits and/or capital reserve fund studies to help them plan their capital spending programs and assess the adequacy of their reserves. Ministry technical staff have assisted housing providers in determining or reviewing the scope of work or specifications for capital projects. Larger housing providers may rely on their own staff or consultants to provide these services.

4. Pooling of Capital Reserves for Investment Purposes



Part VIII Section 141

Housing providers will be expected to continue to allocate operating funds to capital replacement reserves. Housing providers whose operating agreements are being terminated will be required to pool their reserve funds for investment purposes. The Social Housing Services Corporation will be responsible for the pooling system. (See Section IV.I.) Pooling is expected to have a significant positive impact on the interest earnings of all participants.

Details of the capital pooling system will be worked out by the SHSC in the early days of its tenure. Housing providers will continue to have exclusive use of the funds allocated to them; pooling will be done solely to increase return on investment. The

ministry recognizes that housing providers may need to have quick access to funds in order to do necessary capital work. The pooling strategy will, therefore, include provisions allowing for quick access.

Housing providers in the federal programs will be encouraged to participate in the pooling system, in order to improve their own rates of return and to enhance the ability of the pool to achieve higher aggregate rates of return.

5. Technical Advice and Support

Service Managers will need to ensure that housing providers have access to advice and support for their capital planning process and for the execution of their capital projects.

The physical condition of social housing properties is a crucial concern to all parties involved in social housing. The properties are the security for the mortgage loans attached to them; in the event of a mortgage default the value of the property relative to the value of the outstanding debt has a direct impact on the liability of the province as mortgage underwriter. For Service Managers and housing providers, the condition of the housing can have an impact on operating costs and the need for capital replacement funding. Finally, and most importantly, the condition of the housing has a direct impact for tenants in the quality of their lives, their safety and their comfort. Well-maintained housing will provide homes for social housing residents for years to come.

The quality of building maintenance is the direct responsibility of housing providers. Housing providers establish budgets for maintenance expenditures, hire staff, hire property management companies, contract for some functions and purchase goods and services in bulk or otherwise.

The Ministry of Municipal Affairs and Housing, as part of its program administration responsibilities, provided technical advice and support, approved and monitored budgets to provide adequate funding; provided guidelines related to contracting for property management services and other goods and services and conducted periodic performance reviews including property inspections to ensure that buildings are well maintained.

The Service Manager needs to consider how it will carry on these functions.

H. Mortgage Financing and Mortgage Renewals

1. Ontario Competitive Financing Renewal Process

Provincially funded non-profit and co-operative housing projects have traditionally been financed by loans from private-sector institutional lenders, with each loan secured by a mortgage on a specific property. Loans were made at the time of construction to cover 100 per cent of costs and are fully insured or guaranteed by Canada Mortgage and Housing Corporation (CMHC) which, in turn, is indemnified by the province. Loan payments were based on prevailing, competitive interest rates and were amortized over 35 years. Loans have been renewed or refinanced at periodic intervals, typically five years.

Beginning in 1988, the Ministry of Municipal Affairs and Housing became involved in the financing and refinancing process for non-profit housing projects. Prior to that, individual non-profit and co-operative housing providers negotiated their own mortgages and mortgage renewals, with inconsistent results. Over the last decade, the ministry has developed a monthly tendering process, the Ontario Competitive Financing Renewal Process (OCFRP), in which all upcoming mortgage renewals are pooled and offered up for competitive bids from institutional investors.

It has been estimated that the centralized process, competitive bids and tendering "in bulk" have reduced mortgage rates by 1 to 1.5 per cent on average, which equates to savings of approximately \$100 million per year.

The ministry, through the OCFRP process, provides a loan administration service and arranges financing for housing providers.

2. Direct Lending

CMHC provides direct loans to finance non-profit social housing projects. CMHC raises funds through the bond markets and, in turn, lends them directly to non-profit and co-operative housing providers for federally-funded projects. CMHC acts as both lender and loan administrator for the projects financed through that process.

3. How will Mortgage Financing Work after the Transfer?

The province has an ongoing interest in the management of mortgage renewals as the entity responsible for covering any losses in the event of mortgage default. For this reason, mortgage management will continue to be a provincial function. The province will continue to deal with private-sector institutional lenders. To address municipal concerns, the province will regularly seek the views of its municipal partners on interest rate issues and the risk profile of the mortgage portfolio.

Effective January 1, 2001 the ministry assumed responsibility for administering and renewing all mortgages on federally funded projects. The province will continue to use CMHC's Direct Lending Program where it is effective to do so. All other mortgage renewals will continue under OCFRP.

Six months prior to the renewal date, the ministry will send Service Managers a list of projects in their portfolio whose mortgages are scheduled to be renewed, together with any requests for action to be taken and a time frame within which a response is required.

The ministry will contact housing providers directly and work with them to renew their mortgages, including obtaining necessary documentation and board approvals.

After each mortgage renewal, provincial staff will provide both Service Managers and housing providers with a report stating new lender information, interest rate, term and principal, and monthly payment. The Service Manager will adjust subsidy payments after the mortgage renewal.

I. Monitoring and Reporting: Overview



Part VI Section 113

As Service Managers take on the administrative responsibility for non-profit and co-operative housing, they will need to monitor providers and report to the province in accordance with defined federal and provincial standards. This section outlines the reports that will require input from housing providers.

In addition to information requirements of the federal and provincial governments, the Service Manager may, from time to time, establish other reporting requirements.

Reports from housing providers

1. **Housing providers submit reports annually to Service Managers.**
 - a. Housing providers with reformed programs (provincially administered except the pre-1986 MNP program)
 - i. Must submit their annual report within 5 months of the end of their fiscal year. Providers' fiscal years can end at any point during the year.
 - ii. Reports will contain prescribed information, which may include:
 - (1) Financial information based on the provider's annual audited statement. These reports will likely include the information in the audited statement recast into a standard format that meets reporting requirements. Audited statements will likely be required to be attached along with reports from the auditor on other information.
 - (2) Performance information that is required to be collected for CMHC and for the province, including statements by the board of directors that they have complied with program

requirements under the *Social Housing Reform Act, 2000*.

- iii. Reports must be submitted in the form required in regulations under the *Act*. There will be a standard report format for all housing providers across the province.
- iv. Service Managers can request additional reports relating to the provider's compliance with the *Act* and regulations.
- v. The *Social Housing Reform Act, 2000* (Section 154) gives the Social Housing Services Corporation the right to request reports and other information from both Service Managers and housing providers for the purpose of carrying out its functions.
- b. Housing providers with non-reformed programs (previously federally administered programs)
 - i. These housing providers must report annually as required by their operating agreements.
 - ii. The ministry will revise federally administered housing providers' annual reports so that they are similar to the annual reports provided by provincially administered housing providers
 - iii. Reports will likely have two types of information:
 - (1) Financial information based on the provider's annual audited statement. These reports would include the information in the audited statement recast into a standard format that meets reporting requirements. Audited statements will likely be required to be attached along with reports from the auditor on other information.
 - (2) Performance information that is required to be collected for CMHC and for the province. This includes statements by the Board of Directors that they have complied with certain requirements under the *Act*.

- c. Housing providers with rent supplement agreements
 - i. These housing providers report monthly on their rent supplement units and the level of assistance provided.
 - ii. Annual reports are also required as part of the rent supplement agreements.
 - iii. These reports will include financial information on the assistance provided to households in rent supplement units and performance information required by CMHC and the province.
 - iv. These forms will be as similar as possible to the standard housing provider reporting form as possible.
- 2. Once Service Managers receive the reports:**
- a. Reports will be checked for completeness.
 - i. If incomplete, the housing provider will be contacted to provide the missing information.
 - b. The information in the reports will be recorded and reviewed by the Service Manager.
 - i. As part of this system the information must be checked for accuracy.
 - ii. Payments made to the housing provider will be reconciled against the actual requirements shown in their report.
 - (1) If the housing provider is due additional subsidy, additional payment will be made.
 - (2) If the housing provider owes the Service Manager money because of an over-advance of assistance, the housing provider will be notified of that amount.
 - c. The Service Manager will follow up with housing providers that have a financial problem (deficit, underfunded reserves, etc.) or that have not complied with all the requirements under the *Act*.
- 3.** If the housing provider does not comply with the reporting requirements the Service Manager can, on 30 days notice, institute a fine of not more than 0.5 per cent of the monthly

subsidy or \$1,000, whichever is less, for each month in which the report remains undelivered. The Service Manager should do their best to determine the cause for the delay before instituting any fine, since housing providers may be delayed in reporting because of circumstances beyond their control.

J. Service Level Standards



Part V
Sections 65–69

The *Social Housing Reform Act, 2000* provides municipalities with the flexibility to administer social housing in their geographic area in a manner which responds to local needs and priorities. At the same time, the *Act* establishes standards in a limited number of areas to ensure a degree of consistency across the province and to preserve the integrity of existing housing providers and projects.

1. Service Level Standards

The most significant provincial standards in the legislation are the service level standards. Each Service Manager will be required to maintain, on an ongoing basis, the same number of rent-geared-to-income households and high need households as prescribed for their service area at the time of transfer. The legislation also requires that Service Managers maintain the same number of modified units as prescribed for their service area at the time of transfer. The number of units in the service level standards for each service area will be set out in Regulations.

2. Household Income Limits

To meet the service level standard, the Service Manager must also ensure that each household occupying a geared-to-income unit has an income no greater than the prescribed Household Income Limit.

The Household Income Limits will not be used in the establishment of service level standards but will be used in the maintenance and monitoring of service level standards.

A “Household Income Limit” will be established in regulations for each unit size for each service area. The Household Income Limit is the minimum income a household would need to afford appropriate accommodation without spending more than 30 per cent of its income for shelter. The Household Income Limit will be based on

the median market rent determined through CMHC's rental market surveys. There will be Household Income Limits established for census metropolitan areas (CMA), census agglomerations (CA) and for rural areas.

For rural areas there will be two approaches to establishing Household Income Limits. For areas with a rental market there will be one Household Income Limit and for areas without rental markets there will be a different Household Income Limit based on the annual costs to own, maintain and service modest single-detached houses.

High need households are households in a service area with incomes no greater than the income a household would need to afford appropriate accommodation without spending more than 50 percent of its income for shelter. An amount will be prescribed in regulations. It will be the income limit for determining whether a household is high need. The prescribed numbers will use the same approach as for the Household Income Limit and will cover the same unit sizes and service areas but instead of using 30 per cent as the amount spent on shelter it will use 50 per cent.

3. Establishment of Service Level Standards

a) RGI units

To establish the service level standard for the number of RGI units in the service area, the ministry will count the number of households who are receiving rent geared-to-income assistance at the time of transfer under any of the following programs:

- provincial non-profit housing
- provincial co-operative housing
- federal/provincial non-profit and co-operative housing
- public housing and
- rent supplement housing programs (except for rent supplement units under the provincial Homelessness initiative).

The ministry will count these units using its own database of subsidies provided to each provider in the service area. All geared-to-income units in any of these programs will be considered to be occupied by rent-geared-to-income households with incomes below the Household Income Limit.

b) High Need Households

The number of high need units for the establishment of the service level standard will be based on a proportion of all RGI units in the service area determined by the ministry based on ministry data and on program requirements.

c) Modified Units

Modified units have been designed or modified to be accessible for individuals with physical disabilities. These are often modified to accommodate someone in a wheelchair. However, they may include units modified for people who are hearing or sight impaired or have other physical disabilities. The service level standard for modified units in a service area will be based on the number determined through the survey done by the ministry.

4. Maintenance of Service Level Standards

Service Managers will be required to maintain at least the number of households/units as identified in the service level standards in regulations. It is normal for the number of assisted households to change continuously throughout the year as residents move in and out, and as their incomes, and thus, need for assistance, change. In their annual report to the Service Manager, housing providers will report on the number of households that meet the first two service level standards and the number of modified units. Service Managers must be aware of these fluctuations in managing the requirement to meet the service level standards.

If a Service Manager needs to increase the number of households with incomes below the Household Income Limit or high need households, the Service Manager can negotiate with an existing housing provider to increase the number of their rent-gear-to-income households or enter into a new rent supplement agreement. Units under the federally funded Homelessness Rent Supplement Initiative do not count toward the service level standard.

5. Provider mandates

A housing provider's client-specific mandate will be protected under the new accountability framework. This means that the client mandate defined in an existing operating agreement or through other documentation will be identified by the minister and will remain the same unless both the Service Manager and housing provider agree to change it.

Mandates specify the client group that the housing provider intends to house. The mandate was approved as part of the original project approval. Examples of client-specific mandates include seniors, people with special needs and victims of family violence. As is currently the case, mandates must be consistent with the *Ontario Human Rights Code*.

6. Targeting/access plans



Part VI Section 98

Similar to the client-specific mandates discussed above, providers' targeting/access plans are established at the time of the initial commitment of the project and may have been amended by letter or other formal agreement. Existing targeting/access plans will remain in place after the transfer, unless the housing provider and the Service Manager agree to change the plan. Service Managers have the flexibility to negotiate changes to the RGI targeting plans of individual housing providers as long as the minimum service level standards for RGI units for the service area are maintained.

If a Service Manager requires changes to meet service level standards or to address local circumstances and the two parties can not agree on a particular change, the Service Manager can increase or decrease the number of rent-geared-to-income units in a provider's targeting plan by up to 10 per cent of the market units. This limit to the ability to unilaterally amend a provider's targeting plan is limited to 10 per cent at any time, including an accumulation of smaller amendments.

To illustrate the limitations on the authority of a Service Manager to unilaterally amend a provider's targeting/access plan the following example is provided:

Provider Targeting Plan = 60 market units + 40 RGI units

Maximum accumulated amendment = 10% of 60 market units
= 6 units

The Service Manager may amend the targeting/access plan by up to six units.

7. Eligibility and benefit levels

Social housing reform does not change the basic rules for rent-geared-to-income assistance. Rents-geared-to-income will continue to be set at 30 per cent of income. Eligibility continues to be open to those in need, regardless of where they live in the province. This standard will apply to all social housing including public housing, rent supplement, non-profit and co-operative housing.

To ensure that the rules are clear, fair and applied consistently across the province, the province has, for the first time, defined in legislation and regulation the rules and procedures governing all rent-geared-to-income assistance.

With some limitations Service Managers can establish additional eligibility requirements for geared-to-income housing (e.g. income and asset limits). Service Managers have the flexibility to establish their own occupancy standards to determine the appropriate unit size for particular household compositions. (See IV. N. Financial Testing and Rent Calculation.)

K. Risk Management



Part VI Sections 115–116

1. Risk Related to Mortgage Default

Non-profit and co-operative housing projects were financed by loans from private sector lenders and secured by mortgages. All provincial social housing mortgages are subject to mortgage insurance offered through CMHC under the *National Housing Act* (NHA). This insurance protects the lender against loss in the event of mortgage default. The mortgage insurance fund is guaranteed by the province, which means that when a mortgage default occurs and CMHC reimburses the lender, the province is obliged to reimburse CMHC in full. Therefore, the province carries the risk, or contingent liability, for all of these mortgages.

The province carries the same risk with respect to federal projects that are being devolved. Most federal projects have received mortgage funding; these mortgages are also insured by CMHC and guaranteed by the province.

The province, through the Ministry of Municipal Affairs and Housing, is responsible for ensuring that non-profit and co-operative housing assets are maintained in good repair and that their mortgages are secure.

2. How was this risk managed prior to transfer?

Historically, the ministry has monitored non-profit and co-operative providers through a variety of processes, including operational reviews and the financial settlement process. Projects in difficulty were also identified in the mortgage renewal and budget approval process.

There is an extensive process for monitoring project performance to avoid and respond to project difficulties. A key to successfully

resolving financial difficulties with specific projects is early identification of the problem. Ministry Regional Offices conduct periodic Operational and Financial Reviews of all projects across the province. In addition, where Regional Offices become aware that difficulties may be emerging in a particular project, a Snapshot Review can be carried out.

The ministry also investigates public complaints and the concerns of mortgage holders, and assists housing providers requesting additional subsidy. These activities allow the ministry to identify projects with the potential for mortgage default and those in breach of their operating agreements.

A Project in Difficulty (PID) has historically been defined by the province as a project experiencing one or more of the following:

- Mortgage and tax arrears
- Evidence that board is unaccountable for decisions
- Financial mismanagement/Fraud
- Major technical/Capital repair problems
- Conflict of interest
- Continued late submission of documents
- Significant accumulated deficit
- Unauthorized sale/transfer/amalgamation

A variety of breaches of the operating agreement may be identified and progressive remedies imposed on the housing provider to ensure that difficulties are addressed. Those available to the province under the current operating agreements include:

- Reduce, suspend or discontinue subsidy
- Terminate provider rights under the agreement
- Terminate the agreement
- Seek injunctive relief or payment of damages
- Seek third-party management
- Appoint a receiver

Ministry staff are responsible for managing and resolving PIDs. Having identified breaches and established a strategy for applying remedies, staff work with housing providers to put in place action plans, attend board of directors meetings, coordinate the activities of internal and external advisors (audit, legal, police) and prepare communications and reporting materials.

3. How will the risk be managed after the transfer?

a) Mortgages

After transfer, mortgage risk will remain with the province but losses associated with these claims can be charged back to the appropriate Service Manager. While the province is immediately responsible for the full amount of all claims, the municipal charge-back may be applied on an incremental basis at the discretion of the Minister. As such, Service Managers may share in losses that occur within their municipalities, but the province retains the contingent liability for the entire mortgage-financed housing portfolio. The legislation therefore provides powers and protections for both Service Managers and the Minister.

b) Federal Projects

Service Managers will be responsible for administering the PID portfolio for devolved federal programs. These programs are not subject to the accountability provisions of the *Social Housing Reform Act, 2000*; they are instead subject to accountability frameworks prescribed within program operating agreements.

c) The Role of Service Managers

Although Service Managers have the authority to require significant reporting and compliance on the part of providers, it is in the interest of the Service Manager to be prudent and conservative in the exercise of these powers. It is important to maintain, as much as possible, positive relationships with housing providers and to

ensure that reporting and monitoring requirements do not become cumbersome for either the Service Manager or the provider.

Service Managers have a duty to report to the Minister as prescribed in the Regulations and as required by the Minister, to carry out their responsibilities in a prudent manner and to ensure compliance with the *Social Housing Reform Act, 2000*.

The federal government's reporting requirements must be met by the province as a condition of receiving federal funding for social housing.

In cases of non-compliance by a housing provider, Service Managers will have at their disposal all of the powers and remedies currently available to the province under the operating agreements. In addition, Service Managers' remedies have been strengthened to include the ability to bill providers for not reporting as required to the Service Manager, the ability to appoint a receiver for one year (as opposed to the current two months) and the ability to remove and appoint directors. The removal of directors of an independent corporation is a very serious matter and requires the explicit approval of the Minister.

Federal operating agreements outline powers, duties, breaches and remedies that apply to both housing providers and Service Managers. In general, remedies available to the Service Manager are similar to those provided in the *Act*.

d) The Role of the Province and CMHC

Effective March 2001, CMHC will no longer administer federal "projects in difficulty" (PIDs) on behalf of the province. This responsibility will shift to the province until transfer to the municipal level, at which time it will become the responsibility of Service Managers.

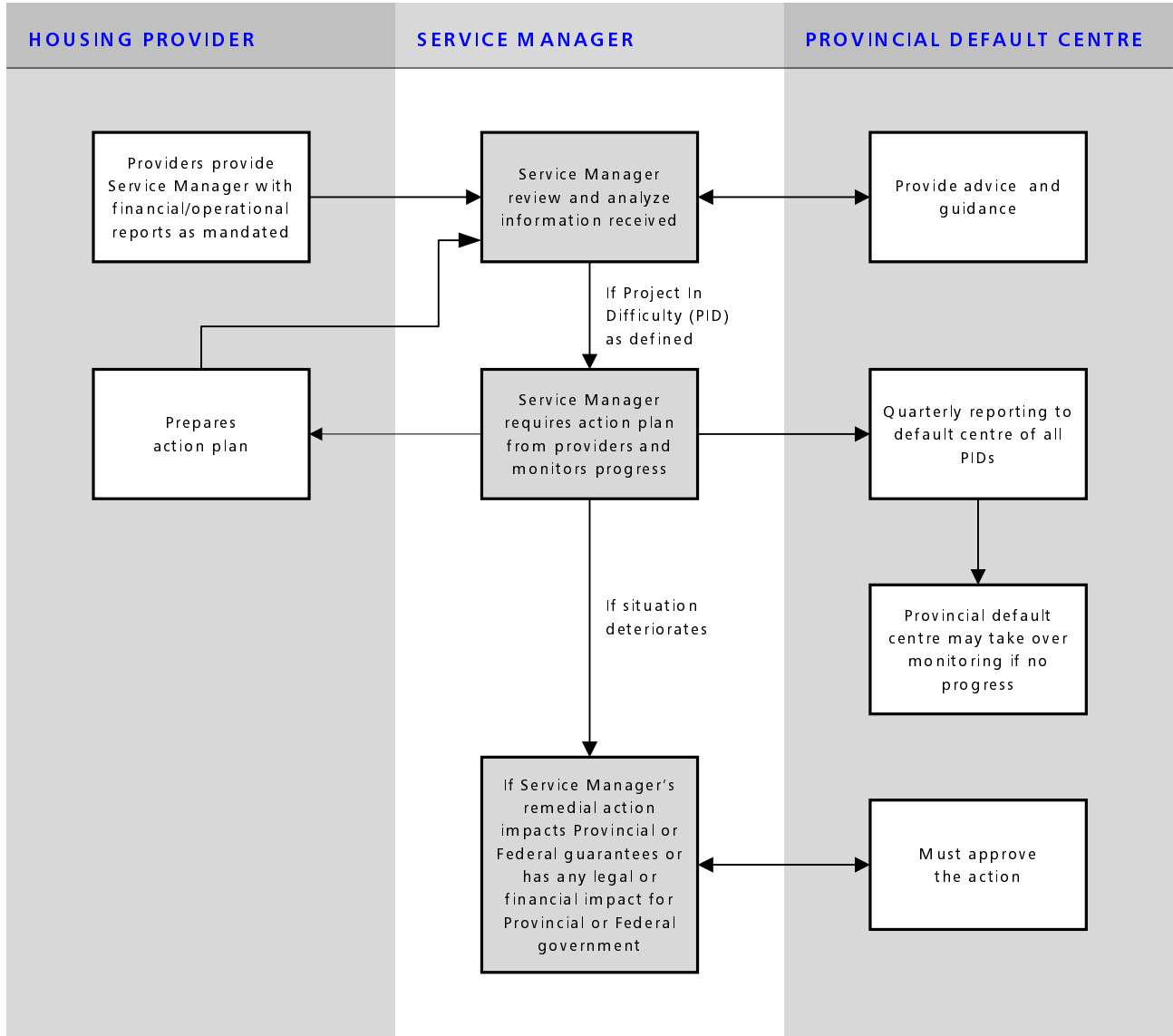
The province will establish a permanent Risk Management Centre with a mandate to protect the contingent liability of the province and to provide support to Service Managers who are managing PIDs. The level and nature of support to be offered will be determined following consultation with Service Managers and other stakeholders.

The province is committed to stabilizing projects in difficulty prior to transferring them to municipalities. Discussions are currently under way regarding the circumstances under which a project in difficulty would be considered transferable.

e) The Role of Providers

Providers have not been given new powers or duties under the *Act*, other than that their reporting and governance relationship is now with the Service Manager rather than with the province.

Sector organizations such as the Ontario Non-profit Housing Association, the Cooperative Housing Federation (Ontario Region) and the Ontario Association of Non-profit Homes and Services for Seniors play an important role in education and training for housing providers experiencing difficulty. Service Managers have been encouraged to become familiar with the structure, functions and key contacts in these organizations and to endeavour to establish positive, cooperative relationships with them.



L. Social Housing Services Corporation



Part VIII Section 140

The Social Housing Services Corporation, a municipally-controlled corporation, will manage the services of group insurance, capital reserve pooling, benchmarking and best practices and bulk purchasing on a province-wide basis.

The members of the Social Housing Services Corporation will include: all Service Managers, all Local Housing Corporations and prescribed housing providers. The SHSC will be managed by a board of directors consisting of fifteen members: eight members selected by Service Managers, five members selected by the housing providers, and two members appointed by the Minister (one of whom may be an LHC representative). The selection process will be determined by the province in consultation with stakeholders, and will be outlined in the Regulations.

The first board of directors will be appointed by the Minister of Municipal Affairs and Housing. Over a period of three years, appointed directors will be replaced by directors selected in accordance with the Act (Section 143 (6)) and its Regulations.

The Social Housing Services Corporation will be funded by the province until December 31, 2004. Thereafter, the members of the corporation who are Service Managers shall pay the expenditures of the corporation in accordance with the Regulations.

The ministry will incorporate the Social Housing Services Corporation through legislation, will provide staff for the first three years, will operationalize the SHSC and then will turn over the business to the corporation and its elected board of directors.

In the transition period before the SHSC is operational, the functions of group insurance and bulk purchasing for Local Housing Corporations will continue to be administered by the province.

The corporation will not be run by Service Managers, but will be run by the board of directors and staff of the corporation. Service Managers will be required to participate and provide input as prescribed in the legislation.

The SHSC will be a tool that will assist Service Managers and providers to administer their programs and projects in a streamlined and cost-effective manner. The functions of the Social Housing Services Corporation are limited to those described in the legislation; providers will continue to have the same independence that they currently have in managing their day-to-day operations.

M. Access to Social Housing

1. Introduction

For all provincially funded social housing, Service Managers are responsible for establishing systems to ensure that the geared-to-income social housing in their community is accessible to people in need. These systems are commonly referred to as Coordinated Access Systems and have two components: Common Waiting Lists and Tenant Selection.

Service Managers are accountable for the functions of the coordinated access system within their service areas, including how they will be carried out and by whom. To ensure that local community needs are met, the Service Manager has a significant level of flexibility within the context of Provincial Standards. This includes the ability to set local occupancy standards and access priorities for their service area.

The component parts of access are described in the following sections. Municipalities can choose to carry out these functions themselves, and have the option to integrate the income-testing component for initial eligibility assessment with Ontario Works and child care programs. Alternatively, they can enter into agreements with housing providers or other community organizations to carry out some or all of these functions.

2. Common Waiting List Systems

a) Practice Prior to Transfer

In the past a variety of methods have been used to develop and maintain waiting lists for social housing and to select eligible tenants. For social housing under provincial administration, most communities have developed Coordinated Access Systems as

described in Appendix 1 of Ministry Directive -97-16 *Implementing a Ministry-Approved Coordinated Access System*.

Coordinated Access Systems currently must ensure that participating housing providers

- i. use a common application form,
- ii. provide information on social housing options in the community and
- iii. check each applicant's eligibility.

One common waiting list for all housing providers in a community was not until now a requirement of Coordinated Access Systems. Nevertheless, some existing systems are managing common lists for local housing providers who are selecting applicants from these lists for vacant RGI units.

Local housing providers (and sometimes social service agencies) have formed community-based committees and boards to oversee the management of Coordinated Access Systems. In many areas of the province the LHA played a significant role in the administration of Coordinated Access Systems, especially where a common waiting list is being used. Often, all housing providers are access points through which applicants can get information about, and make an application for, social housing. Applications are then forwarded to the Coordinated Access System.

The access system determines whether a household is eligible to receive a geared-to-income subsidy. Only eligible applicants may be placed on the waiting lists of the access system or the housing providers.

Housing providers select applicants according to date of application, targeting plan (or access plan, in the case of co-ops) and priorities established by the province. Priority categories include mandatory special priority for persons who are abused and optional priority for households in urgent situations and people with special

needs. After priorities are addressed, applicants who meet the targeting requirements (Deep Need RGI, other RGI, Market Rent) of the housing provider are selected in chronological order from the waiting list. As vacancies arise, at least 10 per cent of RGI or market rent units in the housing provider's portfolio are rented to households who have particular difficulty in obtaining accommodation in a chronologically-based system. These households are defined as persons who are newly eligible (youth and newcomers to Canada) and persons who are homeless.

Before offering a unit to an RGI applicant, housing providers verify that the family composition and income of the household qualifies them for an RGI subsidy in the unit.

Market unit vacancies and internal transfers are filled from a housing provider's own chronological waiting lists using processes established by each housing provider. These processes are not usually part of the Coordinated Access System.

b) Special Needs Units and “Hard to House” – Practice Prior to Transfer

Provincially-funded housing providers with units designated for people with special needs (integrated supportive housing providers) are responsible for ensuring that these units are occupied by people with special needs. Special needs units may be either RGI or market. Before offering a unit to an RGI applicant, housing providers verify that the family composition and income of the household qualifies them for RGI subsidy in the unit.

Occupants for some units designated for people with special needs may be selected through referral agreements with support service agencies, whereby the service provider takes responsibility for selecting eligible applicants for vacant units, then provides necessary supports.

Some housing providers, including some LHCs, do not have referral agreements and fill units designated for people with special needs from their own waiting lists or the waiting list of the Coordinated Access System. In any case, special needs units are filled with applicants who receive support care services.

Housing providers who are approved to serve people who are homeless or “hard to house” may have their own intake procedures. Often a targeted outreach approach is used so that vacant units are offered to people living in hostels or on the street.

3. What is Changing?



Part V
Sections 68–72

a) Common Waiting List Systems for RGI Assistance

Under the *Social Housing Reform Act 2000*, Service Managers are responsible for establishing and maintaining Common Waiting List Systems to consolidate application and assessment processes for all formerly provincially administered social housing in their service areas, with the exception of special needs housing. At a minimum, they must have systems in place to:

- i. provide information about social housing available in the service area
- ii. use a common application form for all RGI units in the service area
- iii. make an assessment of eligibility of applicants for social housing
- iv. provide a common waiting list for all social housing administered by the Service Manager.

These responsibilities may be carried out by the Service Manager or by someone designated by the Service Manager. The Service Manager is required to identify the date for implementing a Common Waiting List System in the Joint Local Transfer Plan. This will be no later than 12 months after the transfer of non-profit and co-operative housing to the Service Manager.

There will be a common waiting list for those applying for rent-geared-to-income assistance. Common Waiting List Systems will maintain waiting lists which respect applicants' housing preferences, housing provider's mandates and priority rules established by the province and the Service Manager.

Participation of housing providers in a common waiting list system will no longer be optional. Housing providers will not be allowed to develop and maintain their own waiting lists for RGI units.

Housing providers with agreements to which CMHC is a party will continue to select applicants according to the terms of their operating agreements, unless they voluntarily agree to participate in the local Common Waiting List System. However, where these providers have rent supplement agreements with the province, the Common Waiting List requirements will apply to every other vacant unit funded under those agreements.

Housing providers with approved mandates to serve people who are homeless or "hard to house" will not be required to meet all the requirements of the Common Waiting List Systems. This exception will allow these providers to continue to use existing methods, for example, targeted outreach to the homeless who may be unable to make an application for RGI assistance through conventional processes.

This process is illustrated in the charts on Pages 90 and 91.



Part V Section 74

b) Access to Special Needs Housing for Market and RGI

This information does not apply to dedicated supportive housing, which has been transferred to the Ministry of Health and Long-Term Care or the Ministry of Community and Social Services.

Service Managers will be responsible for ensuring that applicants with special needs get priority access to units designated for people with special needs in the projects of devolved housing providers.

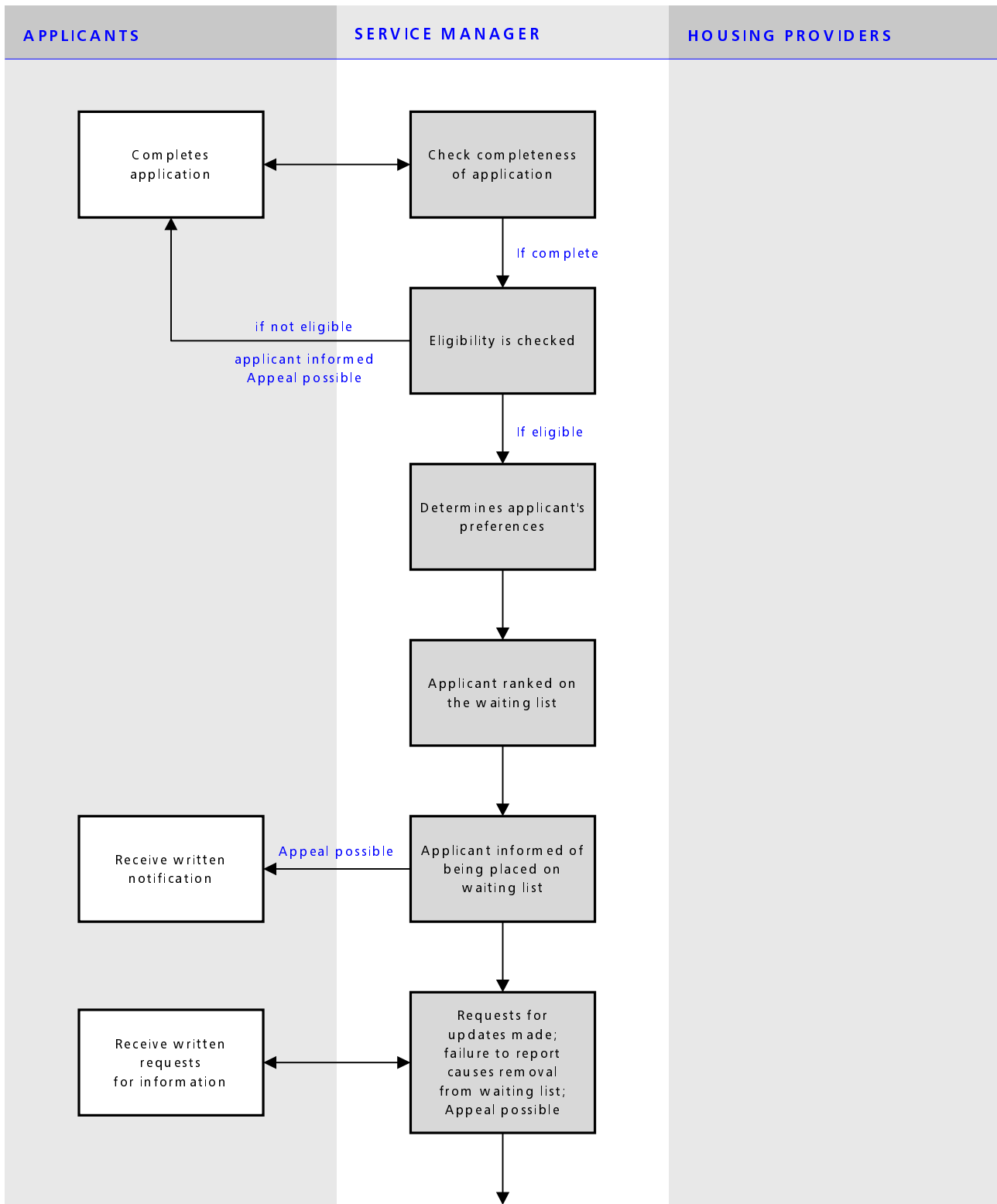
Housing providers or support agencies will continue to select applicants.

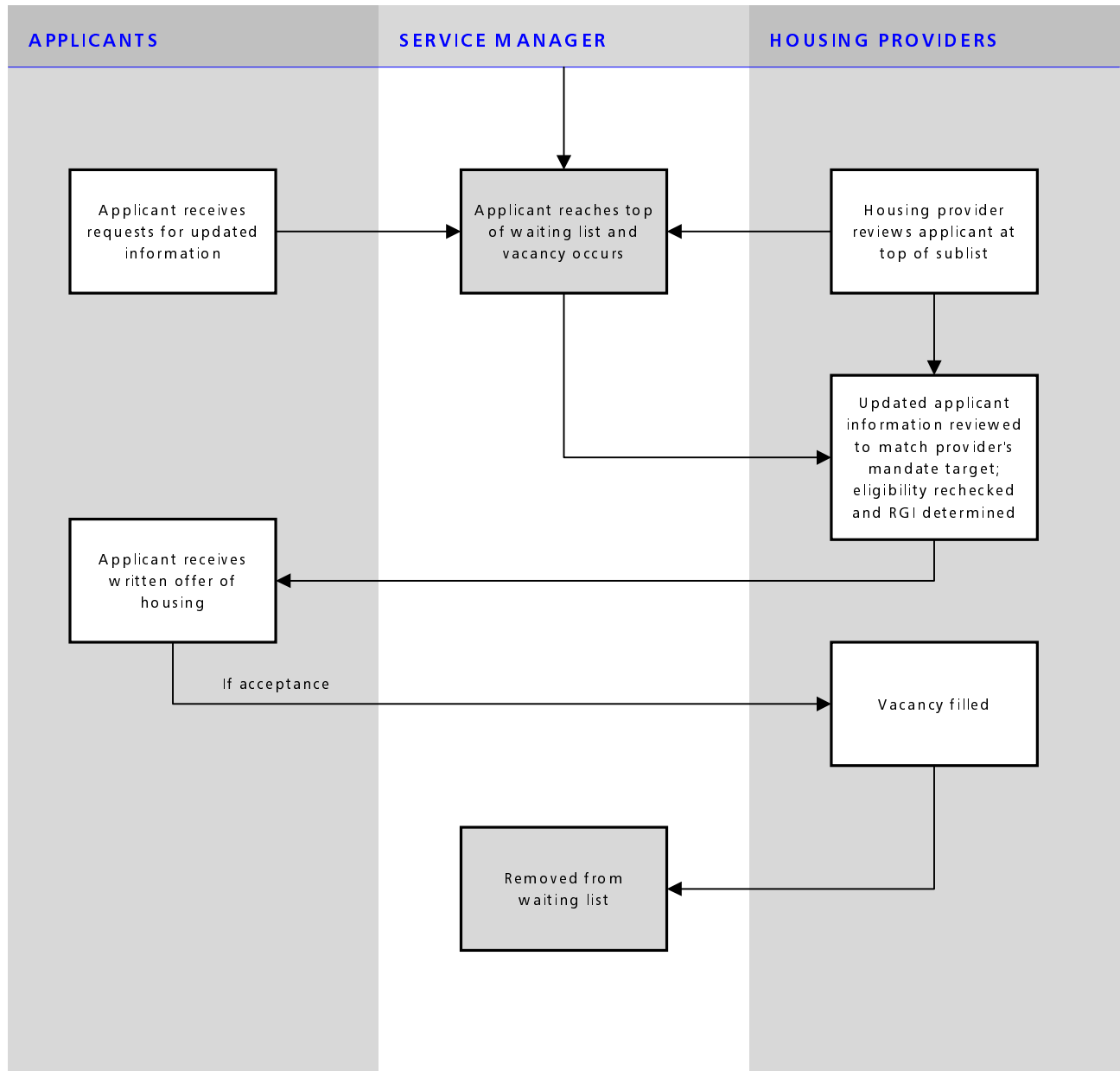
Priority access requires that when a unit of supportive housing becomes vacant, an applicant who requires the type and level of support services provided and fits the mandate of the provider, should be selected for occupancy in that unit. Similarly, when a devolved unit which has been modified to include accessibility features becomes vacant, an applicant who requires the type of accessibility modifications provided, and fits the mandate of the provider, should be selected for occupancy for that unit.

Service Managers must develop reporting requirements and mechanisms to ensure that this standard is met. Service Managers must, in turn, report to the province on the number of vacancies in units of special needs housing which have been filled with eligible applicants.

The province may designate lead agencies for the purpose of coordinating access to housing designated for people with special needs. Lead agencies will be selected through a local process involving housing and support service providers. Service Managers will have time following devolution to work with stakeholders to understand how access to supportive housing works in their service areas and develop the required procedures. Service Managers will have the ability to develop alternatives to current access mechanisms for special needs housing. These alternatives must be approved by the province. The province will only approve those alternative systems which are developed through community-based processes and do not prevent the successful implementation of provincial service sector reforms or the designation of lead agencies.

Public and Non-Profit Housing Co-ordinated Access





c) Detailed Requirements

These responsibilities may be carried out by the Service Manager or by someone else designated by the Service Manager. The Service Manager is required to identify the date for implementing a Common Waiting List System in the Joint Local Transfer Plan. This will be no later than 12 months after the transfer of non-profit and co-operative housing to the Service Manager.

i. Provision of information on social housing

Service Managers must ensure that information is available to the public about the social housing options available locally. This information may include descriptions of providers' portfolios, mandates, unit sizes and building locations.

As well, Service Managers must make information available, in writing, about application procedures, rules about applicant selection (i.e., eligibility, occupancy and priority rules) and procedures for reviews of decisions.

Service Managers must ensure that information about special needs housing is also provided.

ii. Common application form

Service Managers must ensure a common application form is used to place applicants on waiting lists for RGI housing. No fee may be charged for applying for social housing.

Service Managers may choose to have a separate application form for special needs housing. In this case, they must ensure that the application is common to all special needs housing providers.

iii. Establishing and administering a common waiting list and special needs waiting lists.

The common waiting list for social housing will consist of all eligible RGI applicants currently on waiting lists maintained by Coordinated Access Systems and/or housing providers and all eligible applicants applying after the start up date of the Service Manager's Common Waiting List System.

To establish a common waiting list where one does not exist, or to consolidate waiting lists where several Coordinated Access Systems are operating in a Service Manager's area, Service Managers will need to:

- establish policies for the treatment of existing applicants (e.g., effective date of application, verification of information and priority status, housing preferences)
- establish procedures for transferring waiting list data from and to housing providers
- create common waiting list system, including integration of all existing waiting lists.



Part V
Sections 75–79

d) Business Processes

Administering common waiting lists involves receiving an applicant's application, processing applicant information and confirming eligibility for RGI assistance and for the unit size requested. In processing applications, Service Managers must place eligible applicants on the waiting list according to their stated preference with regard to housing provider, building and/or geographic area.

Eligible applicants will be placed on sublists in accordance with preferences the applicant has specified.

Following receipt of the application, notification of an applicant's eligibility status must be provided to the applicant within a prescribed number of days. The notice should state whether the

applicant is included on a waiting list and, if so, which lists(s) they are on.

Common Waiting List Systems will ensure that housing providers have regular access to the updated sublist of the current waiting list that has been prepared for the provider.

e) Preliminary Financial Testing

To establish the eligibility of an applicant household for RGI housing, at the time of initial application, it is necessary to determine the household income and apply the appropriate calculation to make a preliminary determination of the rent to be paid. If the calculated amount is less than the market rent, the household is eligible for geared-to-income assistance. Providers' targeting/access plans will include a more detailed breakdown of households to be selected in the High Need category as part of those eligible for RGI assistance.

This rent calculation is intended to be preliminary, for the sole purpose of establishing general eligibility. A detailed rent calculation will take place at the time that the household is offered housing. (For discussion of RGI standards see Section IV.N.)

f) Assessment for Priority Status

The ministry has established a category of mandatory special priority. This is for victims of violence. The previous categories for priority have been eliminated. Service Managers will have the opportunity to designate new priority categories for their service areas. If other priorities are established, they must meet the definition of a disadvantaged group under the *Human Rights Code*. Service Managers will review applications to determine the priority status of an applicant. Processes will need to be established to confirm the eligibility of applicants for priority status.



Part V
Sections 65–79

g) Role of Housing Providers

All housing providers previously funded by the province will be required to participate in the Common Waiting List System established by the Service Manager. While federal providers are not required to participate (except for units funded by CSHP or OCHAP), they may choose to do so. Housing providers will then select RGI applicants only from their sublist within the common waiting list according to date of application, targeting/access plan and priorities established by the province and the Service Manager.

Housing providers are responsible to:

- provide accurate information on their portfolio to the public or to the Common Waiting List System which then makes this available to the public;
- use a common application form (and common special needs application form if available);
- offer vacant RGI units only to applicants selected from the common waiting list; and
- follow rules established by the province and Service Manager with regard to offering and refusing units and communicating with the Common Waiting List System about their decisions with regard to applicant selection and refusal.

Before offering a unit to an applicant on the sublist, housing providers must check with the access system to see whether there are any priority applicants who wish to live in their project. Priority applicants will be housed ahead of other applicants on the waiting list for RGI units.

h) Transitional provisions

Subsequent to devolution and prior to the implementation of a Common Waiting List System under the *Act*, whether at the Stage One Transfer or at the Stage Two Transfer, LHCs and non-profit and co-operative housing providers will continue to participate in

Coordinated Access Systems, in a manner consistent with practices prior to the introduction of the legislation. At this point Service Managers will have responsibility for existing Coordinated Access Systems; Service Managers may give direction to and make changes to the operation of the Coordinated Access System.

A transition period will be allowed so as not to delay transfer dates and to give Service Managers adequate time to plan and develop their Common Waiting List Systems. This period will begin on the transfer date and end on the effective date of implementation of the Common Waiting List System as specified in the Service Manager's Joint Local Transfer Plan approved by the province.

During transition and after, Coordinated Access Systems, LHCs and housing providers must ensure that applicants with special needs get priority access to units designated or modified for people with special needs.

4. Tenant Selection

a) Selection Criteria

Housing providers with a vacant RGI unit will review the first placed applicant, subject to the provider's mandate and targeting/access plan, from the waiting list for their units provided by the Common Waiting List System. Providers will follow their targeting/access plan and their mandate in making a decision about an offer to house.

If the access system has an applicant with priority status who wishes to reside in the project, this applicant is given priority over other applicants on the common waiting list system. Applicants with priority status are exempt from targeting/access plan requirements.

Providers will only offer units which meet applicants' specified preferences with regard to building(s) in the provider's portfolio and geographic area.

In addition, a housing provider may choose to consider the following issues when making a decision about offering a vacant RGI unit to an otherwise eligible applicant:

- i. credit history of applicant
- ii. landlord references
- iii. interest in co-operative living in the case of co-op housing providers
- iv. in the case of a dwelling unit which is a room, suitability of the applicant for the shared-living situation.

Housing providers with special needs units may also consider the suitability of applicants for the type of support available to the vacant special needs unit.

Applicants for special needs housing will be selected for occupancy from the waiting lists of supportive housing providers, except where the Minister of Municipal Affairs and Housing has approved alternative mechanisms for access to special needs housing established by the Service Manager, or a lead agency has been designated.

Housing providers will continue to fill market units from their own market rent waiting lists. Housing providers will continue to take applications and maintain a waiting list for internal transfer requests.

Where an existing in-situ tenant wishes to apply for a transfer to a housing project outside of those owned by the current housing provider, the household must apply to the Common Waiting List System. Applicants for transfer will be put on the common waiting list and treated in the same way as new applicants.

Where a household needs to move due to over-housing (i.e. their unit exceeds the size of unit required according to the occupancy standards) the housing provider will require the household to move to the first available unit of suitable size available within the building or portfolio of the housing provider. If a unit of the appropriate size is not available within the provider's portfolio within 12 months, the housing provider is required to forward an application for transfer to the Common Waiting List System, provided the over-housed occupant has given consent. The application date will be deemed to be the date on which the applicant first applied for housing.

b) Tenant Selection Process

- i. Previous resident gives notice that they are moving out.
- ii. Housing provider selects the first-placed applicant identified for their units by the Common Waiting List System, that:
 - Meets the provider's mandate
 - Meets the provider's targeting/access plan
- iii. Housing provider takes the first applicant determined through ii. and:
 - Reviews the eligibility of the household
 - If the household is still eligible, the provider determines the applicant's income and assets following the RGI rules and determines if the household is eligible for RGI. (See next page.)
 - The provider also confirms the household composition and determines the size of unit for which the household is eligible.
 - The provider may also check:
 - The household's credit history
 - Landlord references
 - Interest in living in a co-op if applying for a co-op

- Suitability for shared living if applying to a shared-living situation
 - Suitability for support services provided if applying for a unit with support services
- iv. Based on the review the provider may accept or reject the applicant:
- If accepting, the provider will contact the applicant and do whatever is necessary to move them in.
 - If rejected, the provider will notify the applicant that they have been refused.
- v. Determination of Eligibility for RGI
Review application form (initially done by access system or, prior to 1997, by housing provider) considering the following questions:

(To be eligible the answers to the following questions must be yes.)

- Does the household meet the occupancy standards for the size of unit for which they are applying?
- Does the household occupy or have need of a dwelling in Ontario?
- Are household members permanent residents of Canada or refugee claimants?
- Is the applicant 16 or older?
- Can the applicant live independently with or without support services?

(To be eligible the answer to the following questions must be no.)

- Does the household have a permanent place of residence outside of Ontario?
- Does the household owe money to a social housing landlord? (Applicants may be considered if there is an agreement to repay.)

- Does the applicant own a home suitable for year-round occupancy? (If the applicant agrees to sell the home within six months of being offered accommodation the applicant is eligible. Other mitigating circumstances may be considered by the Service Manager.)
- vi. Determination of Eligibility for Special Needs Housing
- Applicants for special needs housing may or may not require RGI assistance. They must, however, require either one or both of support services or accessibility modifications in order to live independently in the community.

5. What must the Service Manager do to meet the requirements of the Joint Local Transfer Plan?

The Service Manager may be in a position to put in place a Common Waiting List System at the Point of Transfer, particularly if a reasonably sophisticated Coordinated Access System already exists in the community. On the other hand, modifying an existing Coordinated Access System to include a common waiting list or establishing a new Common Waiting List System can be time consuming. For this reason the Service Manager is not required to implement the new Common Waiting List System at the point of transfer.

The Joint Local Transfer Plan must, as a minimum, include a detailed plan for development of a Common Waiting List System and an identified implementation date within 12 months of the transfer date.

N. Financial Testing and Rent Calculation

1. Introduction

RGI standards govern issues related to rent-geared-to-income assistance such as eligibility, the treatment of income and assets, rent calculation, selection of occupants and maintenance of occupant records. Prior to the proclamation of the *Social Housing Reform Act, 2000* RGI standards were set by the Ontario Housing Corporation (OHC) for Local Housing Authorities (LHA s) and by the Ministry of Municipal Affairs and Housing for non-profit and co-operative housing providers.

Service Managers are responsible for determining how financial testing will be carried out within their service areas after the second stage transfer. To ensure that local community needs are met the Service Manager has a significant level of flexibility within the context of provincial standards.

The component parts of financial testing (eligibility determination, the treatment of income and assets, and rent calculation) are described in this section. Service Managers can choose to carry out these functions themselves, including the option to integrate intake and financial testing with Ontario Works and child care programs. Alternatively, they can enter into agreements with housing providers or other community organizations to carry out these functions.

Eligibility Testing

Eligibility of an applicant household for rent-geared-to-income (RGI) housing is determined in accordance with provincial standards and any local eligibility rules that the Service Manager has established in accordance with provincial regulations.

It is necessary to determine the applicant's income and apply the appropriate calculations to make a determination of the rent to be paid. If the calculated amount is less than the market rent, the household is eligible for geared-to-income assistance.

This rent calculation is needed at several points: a preliminary test at the time of initial application for the purpose of establishing eligibility, a detailed rent calculation at the time that the household is offered housing, and recalculation as an occupant household's circumstances change.

2. What is changing?

The changes resulting from the *Social Housing Reform Act, 2000* will occur in two stages:

First Stage

In the first stage, the standards for Local Housing Corporations and Private Rent Supplement will be the policies outlined in the amended LHA manual. These policies will be in effect for a particular Service Manager until the date administration of non-profit and co-operative housing programs is transferred. These interim policies will allow the Local Housing Corporations to continue to operate under the same policies as at present and give Service Managers time to plan for policy changes.

During this period, non-profit and co-operative housing providers will continue to operate under the rules set out in their operating agreements and *Ministry Requirements*.

Second Stage

A new set of RGI standards will take effect when a Service Manager assumes responsibility for administration of provincial and federal non-profit and co-operative housing programs. These regulations will reflect the harmonization of the existing RGI policies and rules

for public housing, rent supplement, non-profit and co-operative housing programs and a limited number of new government directions.

The changes in this second stage will apply to social housing programs currently administered by the province. They will not apply to projects governed by an operating agreement to which Canada Mortgage and Housing Corporation is a party except where these housing providers have a rent supplement agreement with the province under CSHP or OCHAP, in which case the changes will apply to units governed by these rent supplement agreements. The following are some of the significant policy changes which will take effect at this stage.

Changes in Provincial Standards

- Regardless of any rent scale adjustments or heating allowances applied, the minimum monthly rent that must be charged for any unit will be \$85.00 plus applicable additional charges.
- Applicants and clients must pursue available income where it is reasonable to do so.
- Households whose income rises to the point where they are paying the market rent normally applicable for the unit will retain their eligibility for RGI assistance for a period of one year after the date on which the household first pays market rent. During this year, if the household income declines, the household will be eligible for reinstatement of the RGI subsidy. After one year of paying market rent, the household loses its status as an RGI household. After this point, if a subsidy is needed, the household must apply to the coordinated access system for subsidy. In this case applications will be back dated to the original date of application for RGI housing.
- Households which have misrepresented their income for social housing purposes will be denied eligibility for social housing for a period of no less than two years.

- Occupants who have not sold their residence within six months of being housed will become ineligible for rent-geared-to-income assistance. The Service Manager may extend the six month period in extenuating circumstances.

Local standards that Service Managers must set

- Service Managers must determine who will carry out financial testing functions in their service areas. If the functions will be carried out by another party or parties under agreement, the Service Manager must establish those agreements and standards for administration.
- Service Managers are required to establish their own occupancy standards for the purposes of rent-geared-to-income assistance.
- Service Managers must determine the specific amounts of utility charges and allowances to be added to or subtracted from RGI rent, in accordance with a general provincial policy.
- Service Managers must set procedures for the internal review of decisions regarding RGI eligibility and rent calculation, within provincial standards. If the Service Manager has decided to enter into agreements with other parties to carry out financial testing, the Service Manager will need to determine whether those parties will conduct the internal reviews within provincial and local standards, or whether the Service Manager will do so.

Standards that Service Managers may set if they choose

- A Service Manager may impose income limits above which applicants would be ineligible for RGI assistance. These income limits must not be set lower than the Household Income Limit applicable to a particular geographical area. Existing occupants with incomes beyond that limit are to be “grand parented.” (Their eligibility would not be affected by introduction of, or changes in, an income limit.)

- A Service Manager may impose asset limits above which applicants would be ineligible for RGI assistance. These asset limits must not be set lower than the provincial asset limit. Existing occupants with assets beyond that limit are to be “grand parented.” (Their eligibility would not be affected by introduction of, or changes in, an asset limit.)
- A Service Manager may set a period of ineligibility for misrepresentation of income that is longer than two years.
- A Service Manager may deny an applicant eligibility for RGI social housing based on past arrears in RGI social housing and may specify other ways in which rent arrears may be treated in determining eligibility.
- A Service Manager may determine fees to be charged for services other than utilities.
- Where it has been determined that a household has paid a lower RGI rent than it was entitled to, the Service Manager may decide to require that the household reimburse the amount of additional rent that it should have paid. The Service Manager may decide whether to recover the amount by requiring the housing provider to add an amount to future months’ rent-geared-to-income or through other means available to recover a debt.
- Service Managers may choose to establish a fraud control unit, or designate individuals as “eligibility review officers” for rent-geared-to-income assistance, as is done for Ontario Works.
- Service Managers may choose to designate staff as “family support workers” to help RGI households obtain income to which they may be entitled, as is done for Ontario Works.

3. What Decisions Do Service Managers Need to Make?

To prepare for the second stage of transfer, Service Managers need to decide whether to assume some or all of the responsibility for delivery of the financial testing functions themselves, or enter into agreements with other parties to do some or all of it on their behalf.

To assume the functions directly, a Service Manager would need to develop an appropriate administrative capacity and establish policies and procedures. Some of the capacities that would have to be addressed are: means of client access, staffing and functional organization, information management and technology, notification of clients and housing providers about decisions, notification of resident households about annual rent reviews and rents set, internal review procedures, internal review, legal support, local policies, manuals and training. Detailed plans for transition of functions and information from housing providers would be very important. Consultation and close communication with housing providers is critical for transition and ongoing success.

If the decision of the Service Manager is to allow housing providers to continue to administer some or all of the financial testing functions, agreements with those providers would have to be established. These would need to outline matters such as policy and administrative requirements of the Service Manager, internal review procedures, reporting and information requirements, and responsibilities for costs. In addition, Service Managers would need to ensure the availability of advice and guidance to housing providers to support their administration of the RGI program.

If the Service Manager chooses to enter into an agreement with another body (e.g., a Local Housing Corporation or a separately incorporated coordinated access system) to carry out financial testing, similar matters would have to be addressed in the agreement. In addition, details of client access, notification, and transition arrangements would need to be developed in close consultation with housing providers.

O. Bulk Purchasing



Part VIII Sections 141–142

1. Practice Prior to Transfer

The functions of bulk purchasing for non-profit and co-operative housing providers are undertaken by the sector organizations ONPHA, OANHSS and CHF, who offer a range of goods and services to their members. The bulk purchasing contracts negotiated by the sector organizations include plumbing supplies, paint supplies, appliances, payroll services, staff benefits, roof anchor inspections, etc.

As well, some municipal non-profit housing corporations participate in purchasing contracts with their local municipality.

2. What is changing?

The Social Housing Services Corporation, a municipally-controlled corporation, will manage the services of group insurance, capital reserve pooling, benchmarking and best practices and bulk purchasing on a province-wide basis.

The province will fund and staff the Social Housing Services Corporation until December 31, 2004.

In the transition period before the SHSC is operational, the function of bulk purchasing will continue to be administered by the sector organizations.

3. What Will Be Required for Reporting and Monitoring Purposes Following the Transfer?

The reporting requirements between Service Managers and the Social Housing Services Corporation will be specified in the Regulations. The reporting requirement specified in the legislation

is the submission by the SHSC to the province of an annual report. The specific data to be included in the annual report will be detailed in the Regulations, and will include, as a minimum, the corporation's audited financial statements. Service Managers and housing providers are also required to file reports and submit other information to the SHSC as requested.

P. Insurance Coverage

1. Current Practice

Coverage is required for all of the insurance normally carried by a housing provider related to the property and to the corporation and can include:

- fire insurance, Property and Boiler,
- General Liability, Directors and Officers Liability, and Accident insurance
- car insurance for any vehicles owned or leased by the corporation.

Group insurance refers to a scheme for pooling the insurance contracts in order to benefit from economies of scale. The ministry has, since 1993, negotiated a group insurance program for provincially funded non-profit housing providers. While participation in the group insurance program has been voluntary, the ministry would not approve non-profit and co-operative provider budgets for insurance costs in excess of those payable through the group plan.

2. What is changing?

Part VIII of the *Social Housing Reform Act, 2000* establishes the Social Housing Services Corporation. This corporation will have the responsibility for coordinating group insurance for the LHCs and non-profit and co-operative housing providers in the future.

Participation in the group insurance program will be mandatory for all non-profit providers, except those with federal operating agreements, who cannot be required to participate. Federal non-profits can, however, choose to participate. At the present time, co-op housing providers will have the option to participate in

either the SHSC program or the program offered through the co-op sector. However, the benchmark for insurance costs will be established by the SHSC.

3. Transition

It is expected that the Social Housing Services Corporation will be established and operational by the summer of 2001. In the transition period before the SHSC is operational, the non-profit group insurance program will continue to be administered by the ministry. In September 1993, Alexander & Alexander (now Aon Reed Stenhouse) was awarded the group insurance program for non-profit providers for a period of five years through a tender process administered by the province. Since 1998 the agreement with Aon has been extended one year at a time pending the outcome of decisions about reform and devolution. The group insurance program has just been renewed for a one-year term, with the possibility of two further one-year terms.

4. Stage Two Transfer

Once the SHSC has been established and has the capacity, it will be responsible for coordination of group insurance for housing providers. The SHSC will communicate directly with housing providers about future insurance arrangements.



Appendices

1. Area Transition Team – Office Locations and Contacts
2. Social Housing Programs Being Transferred
3. Summary of Data Releases on Social Housing
4. Glossary of Terms
5. Joint Local Transfer Plan Checklist
6. Benchmarking and Best Practices Team – Terms of Reference
7. Regulations Under the *Social Housing Reform Act*
8. *Social Housing Reform Act*

Appendix 1

Area Transition Teams Office Locations and Contacts

Central and Metro Regions

777 Bay Street, 12 th Floor Toronto, Ontario M5G 2E5	<i>Area Director</i> Rhoda Matlow	(416) 585-7271
Tel: (416) 585-7411 Fax: (416) 585-6222	<i>Transition Manager</i> Lilian Hulme-Smith	(416) 585-6094
	<i>Transition Manager</i> Joanne McKinstry	(416) 585-7326

Eastern Region

1547 Merivale Road, 5 th Floor Nepean, Ontario K2G 4V6	<i>Area Director</i> Charles Lalonde	(613) 225-6776 Ext. 2263
Tel: (613) 225-6776 Fax: (613) 225-6925	<i>Transition Manager</i>	(613) 225-6776 Ext. 2242

Northern Region

159 Cedar Street, Suite 401 Sudbury, Ontario P3E 6A5	<i>Area Director</i> Lynn Buckham	(705) 564-6858
Tel: (705) 564-0120 Fax: (705) 564-6819	<i>Transition Manager</i> Ray Hunt	(705) 564-6845

Northwestern Region

435 James Street South, Suite 223 Thunder Bay, Ontario P7E 6S7	<i>Area Director</i> Ian Smith	(807) 475-1187
Tel: (807) 475-1465 Fax: (807) 473-3032	<i>Transition Manager</i> Marg Bettiol	(807) 475-1192

Southern and Southwestern Regions

c/o Southern Regional Office Ellen Fairclough Building 119 King Street West, 14 th Floor Hamilton, Ontario L8P 4Y7	<i>Area Director</i> Rob Cressman	(905) 546-8399
Tel: (905) 521-7500 Fax: (905) 521-7200	<i>Transition Manager – South</i> Rick Farrell	(905) 521-7265
	<i>Transition Manager – Southwest</i> William Dufton	(519) 679-7946

Appendix 2

Social Housing Programs Being Transferred

For the purposes of the Business Transfer, the province is transferring three sets of programs – public housing, provincial non-profit housing and federal non-profit housing – to the municipal level. A complete listing of the properties funded under these programs in each Consolidated Service Management area was provided to Service Managers in Data Release 5.

A brief description of each program is provided here.

(a) Public Housing Programs

The **Public Housing Program**, comprising the housing programs administered before January 1, 2001 by Local Housing Authorities for the purpose of providing housing exclusively to applicants in need of geared-to-income housing, in housing projects that immediately before January 1, 2001 were owned or leased by the Ontario Housing Corporation or jointly by the Ontario Housing Corporation and the Canada Mortgage and Housing Corporation (CMHC).

All **Rent Supplement Programs** administered before January 1, 2001 by Local Housing Authorities or the Ministry of Municipal Affairs and Housing including:

1. Rent Supplement – Regular
2. Accelerated Rental CMHC
3. Accelerated Rental OMC
4. Community Integrated
5. Assisted Rentals
6. Limited Dividend
7. Private Assisted Rental
8. Ontario Rental Construction Plan

9. Canada Rental Supply Plan
10. Convert-to-Rent
11. Canada/Ontario Rental Supply Plan
12. Renterprise
13. Low-Rise Rehabilitation
14. Ontario Rental Construction Loan
15. Assisted Rental Housing
16. Ontario Accelerated Family Rental Housing
17. The Rent Supplement Homelessness Initiative and the Rent Supplement Special Needs Homelessness Initiative, except for the portions of those programs in projects owned, leased or administered by non-profit housing providers or by non-profit housing co-operatives under the *Co-operative Corporations Act*.

(b) Provincial Non-Profit Programs

The province is devolving responsibility for the administration of most provincial social housing projects to Service Managers. Exceptions are the dedicated supportive housing providers transferred to the Ministries of Community and Social Services and Health and Long-Term Care. Projects at risk because of significant financial problems might not be devolved until their financial problems are resolved.

Projects created under the following programs will be transferred:

- **Non-Profit Full Assistance Housing Programs** administered before January 1, 2001 by the ministry, not including the Municipal Non-Profit Housing Program, but including:
 1. JobsOntario Homes
 2. The Ontario Non-Profit Housing Program (P-3000)
 3. The Ontario Non-Profit Housing Program (P-3600)
 4. The Ontario Non-Profit Housing Program (P-10,000)
 5. Homes Now
 6. Federal/Provincial Non-Profit Housing Program (1986–1993)

These are housing projects owned by municipal non-profit housing corporations, private non-profit housing corporations or housing co-operatives. At least 25 per cent of the units in the project will be rent-geared-to-income. The province currently pays subsidies to providers to reduce the operating costs of the projects and to provide rent-geared-to-income assistance to households in the projects.

- **Federal/Provincial Non-Profit Housing Program (1986–1993).** These are housing projects owned by municipal non-profit housing corporations, private non-profit housing corporations or housing co-operatives. At least 25 per cent of the units in the project will be rent-geared-to-income. The province currently pays subsidies to providers to reduce the operating costs of the projects and to provide rent-geared-to-income assistance to households in the projects. The subsidy costs have been cost shared between the province and CMHC in the past.
- **Pre '86 Municipal Non-Profit Housing Program (1978–1985)** These are housing projects owned by municipal non-profit housing corporations. CMHC is a signatory along with the province to these operating agreements and therefore they will not be terminated. Funding is similar to that under the federal section 95 programs. The province provides some additional funding.

In addition, a large number of rent supplement programs will be transferred, including:

- **Rent Supplement Programs** administered before January 1, 2001 by the Ministry of Municipal Affairs and Housing with respect to units in projects owned, leased or administered by non-profit housing providers or by non-profit housing co-operatives under the *Co-operative Corporations Act*, including the following programs:
 1. Community Sponsored Housing Program (1978–1985)
 2. Community Sponsored Housing Program (P2500) (1978–1985)

3. Ontario Community Housing Assistance Program
(1981–1985)

Also included are the Rent Supplement Homelessness Initiative and the Rent Supplement Special Needs Homelessness Initiative, as they apply to units in projects owned, leased or administered by non-profit housing providers or by non-profit housing co-operatives under the *Co-operative Corporations Act*.

(c) Federal Programs

The province is devolving responsibility for the administration of most federal social housing projects to Service Managers. Exceptions would be dedicated supportive housing – housing entirely occupied by tenants who need support services to live in the community. These housing projects will be administered by the province under the ministries of Community and Social Services and Health and Long-Term Care. Federally administered co-op housing will also remain under federal jurisdiction. For the Rural and Native Housing Program, the province has consulted with stakeholders and will soon make a decision about the future administration of the program.

After devolution, the management and administration of the federal programs will be carried out by Service Managers. Because the federal housing portfolio will continue to be governed by existing operating agreements with CMHC, federal units will not be included in the province's service level standards and provincial rules for rent-g geared-to-income would not apply.

The federal projects being devolved come under one of the following programs:

- **Limited Dividend (LD) NHA Section 26 Programs:** These are housing projects owned by private landlords with preferred interest rates at time of commitment and no ongoing subsidies. Operating Agreements have no clear replacement reserve commitment.

- **Municipal Non-Profit NHA Section 26 Program:** These are housing projects owned by municipal non-profit housing corporations with preferred interest rates at time of commitment and no ongoing subsidies. Operating Agreements have no clear requirement for a replacement reserve.
- **Private Non-Profit NHA Section 27 Program:** These are housing projects owned by private non-profit housing corporations with preferred interest rates at time of commitment and no ongoing subsidies. Operating Agreements have no clear requirement for replacement reserves.
- **Non-Profit Section 95 Program (Pre-1986) (2% Write Down):** These are housing projects owned by municipal and private non-profit housing corporations that receive an ongoing subsidy based on a write-down of the current interest rate at time of renewal. CMHC has set the limit for the annual contribution to the Replacement Reserve fund and has controlled its use to address future capital requirements.
- **Urban Native Section 95 (Pre-'86) Program:** These are housing projects owned by urban native non-profit housing corporations that receive an ongoing subsidy based on a write-down of the current interest rate at time of renewal and access to additional assistance through supplemental agreements permitting them to be fully funded based on approved budgets. CMHC sets the limits for annual contribution to the Replacement Reserve fund and controls its use to address future capital requirements.
- **Urban Native Section 95 (Post-'85) Program:** These are housing projects owned by urban native non-profit housing corporations that receive an ongoing subsidy for full funding based on approved budgets. CMHC sets the limits for annual contribution to the Replacement Reserve fund and controls its use to address future capital requirements.

Appendix 3

Summary of Data Releases on Social Housing

To assist Service Managers to prepare for the social housing business transfer, the Ministry of Municipal Affairs and Housing has provided a number of data releases to Service Managers over the past two years. The data releases contain information related to the provincial expenditure and the number of social housing units in each service area. All data releases provide both a provincial summary of the data and detail organized on a service area basis.

DATA RELEASE I	February 1998	
Programs	Provincial Non-Profit	Subsidy & Units
	Public Housing (OHC)	Subsidy & Units
DATA RELEASE II	May 1998	
Programs	Provincial Non-Profit	Subsidy, Capital Reserve, Mortgage
	Public Housing (OHC)	Subsidy, Capital Reserve, Debenture
DATA RELEASE III	November 1998 This data release removed from the data projects that were dedicated supportive housing units transferred to MCSS and MOHLTC.	
Programs	Provincial Non-Profit	Subsidy, Capital Reserve, Mortgage, Structure, Units
	Public Housing (OHC)	Subsidy, Capital Reserve, Debenture, Structure, Units
	Rent Supplement	Subsidy, Structure, Units
DATA RELEASE IV	September 1999	
Programs	Provincial Non-Profit (excluding dedicated supportive housing units transferred to MCSS and MOHLTC)	Subsidy, Mortgage, Structure, Units
	Public Housing (OHC)	Subsidy, Capital Reserve, Debenture, Structure, Units
	Rent Supplement	Subsidy

DATA RELEASE V		December 2000
Programs	Provincial Non-Profit (excluding dedicated supportive housing units transferred to MCSS and MOHLTC)	Subsidy, Mortgage, Capital Reserve, Structure, Units
	Public Housing (OHC)	Subsidy, Capital Reserve, Debenture, Structure, Units
	Rent Supplement	Subsidy, Units
	Federal Unilateral (excluding Rural Native Housing)	Subsidy, Mortgage, Capital Reserve, Structure, Units

Data Release V includes:

- The consolidation of all the project information previously sent in Data Release IV.
- All of the billing information sent previously to municipalities by the Ministry of Municipal Affairs and Housing. This ensures that all CMSM's and DSSAB's now possess the same complete package of social housing material.
- Updated financial information for 2000, including final approved budget numbers for Ontario Housing Corporation at the project level; plus updated debenture and mortgage information.
- Information on federal projects transferred to the province as a result of the signing of the Social Housing Agreement between CMHC and the province in November 1999.

Appendix 4

Glossary of Terms

Administration Agreement is an agreement between the Government of Ontario and the federal government which authorized the federal government to continue administering the federal social housing portfolio on behalf of Ontario until March 31, 2001.

Affordable mortgage payment is established in the benchmark year and calculated by subtracting benchmarked costs from benchmarked revenues.

Amendment is a proposal made by a member that seeks to modify, or a section of a bill, in order to increase its acceptability or to present a different proposal. All amendments are in the form of a motion altering the text of the original motion.

Annual Information Returns: An annual reporting form required of non-profits formerly funded by the province.

Benchmark costs include utilities, manageable costs, capital reserve contribution.

Benchmark revenues include market rents, vacancy factor, non-rental revenue.

CMHCs Direct Lending Program: In 1988, Canada Mortgage and Housing Corporation (CMHC) started the competitive financing renewal process for renewing all loans receiving federal government assistance. In 1995, CMHC replaced the competitive financing renewal process with the direct lending program. The program took over all the loans which were previously served by private financial institutions.

Compendium is a detailed, plain-language explanation of the contents of a Bill.

Coordinated Access System refers to either an existing Coordinated Access System currently managing access to social housing, or the common waiting list and affiliated processes (application, waiting list management) which must be established by the Service Manager as per the *Social Housing Reform Act*. The applicants on waiting lists would be ranked according to the process approved by the Service Manager, taking into account need and length of time on the list.

Consolidated Financial Information System is the financial mainframe computer system of the Ministry of Municipal Affairs and Housing.

Federal non-profit housing: Non-profit housing that was build under sections 26, 27 and 95 of the *National Housing Act*.

Funding Model a term used to describe a mechanism used to determine the amount of subsidy provided to the housing provider whose operating agreement has been terminated by the *Social Housing Reform Act, 2000*

Government Debentures are IOUs issued by the government.

Greater Toronto Services Board is responsible for dealing with disputes between Greater Toronto Area (GTA) Service Managers related to cost eligibility.

GTA Equalization: Equalization is achieved by totalling the actual eligible expenditures on social housing across the Greater Toronto Area and apportioning the costs to each of the upper-tier municipalities based on a share determined on the basis of weighted assessment.

“Hard to House” include residents with a history of chronic homelessness and/or people unable to access and maintain a stable tenancy. Characteristics which frequently distinguish this population may include limited life skills; difficulty in maintaining a tenancy; substance abuse; mental health problems; exposure to physical abuse; and developmental disabilities.

High-need households are households receiving rent-geared-to-income assistance that spend more than 50 per cent of its income for shelter.

Household-income limit: The minimum income a household would require to afford appropriate accommodation without spending more than 30 per cent of its income for shelter. Household-income limits will be based on the median market rent determined through CMHC’s rental market surveys.

Housing-income limit is an amount that reflects the minimum income a household would require to afford appropriate accommodation without spending more than 30 per cent of its income for shelter. The housing income limits will be based on the median market rent determined through CMHC’s rental market surveys. There will be housing income limits established for each census metropolitan area (CMA), census agglomerations (CA) and for rural areas. For rural areas there will be two housing income limits.

For areas with a rental market there will be one housing income limit and for areas without rental markets there will be another housing income limit based on the annual costs to own, maintain and service modest single-detached houses.

Human Resources Protocol an agreed statement between the Ministry of Municipal Affairs and Housing and the Service Manager as to how pertinent human resource issues will be discussed and negotiated. Some examples of issues that would

be addressed are staffing needs, terms and conditions of employment, vacancies and staffing opportunities.

Indexed market revenue: The mandatory payment is based on overall inflation in general market rents, determined by an independent measure.

Integrated supportive housing: Housing where only a portion of the units are supportive housing units. Supportive housing units are those in which a household is receiving support services that allow it to live independently.

Joint Local Transfer Plan: A plan which describes how Service Managers will prepare for the transfer of the provincial non-profit and co-operative housing programs and the federal non-profit programs.

Lead Agencies are those designated under section 83 of the *Social Housing Reform Act* for the purposes of coordinating access to some or all designated housing for people with special needs in a service area.

Letter of Intent is a letter indicating that the Service Manager intends to continue reasonable efforts negotiations for staff affected by the transfer of social housing.

Local Housing Authorities (LHAs) Each LHA was an agency of the Government of Ontario and was governed by a board of directors appointed by Order-in-Council. Housing authorities acted as delivery agents for Ontario Housing Corporation.

Local Housing Corporations (LHCs) Local housing authorities were dissolved and LHCs were formed under the *Business Corporations Act*. Service Managers were named as sole shareholders of the LHCs. The LHCs would manage the properties in much the same way as LHAs did.

Local Services Realignment: In January 1997, the Ontario government announced reforms to the provincial-municipal relationship and the way in which public services are delivered in the province. Known as local services realignment, these reforms were designed to put services in the hands of the level of government best positioned to deliver them effectively. Subsequently, provincial responsibilities for social housing, child care and social assistance (Ontario Works) were transferred to the municipalities.

Mandate is a commitment on the part of the housing provider to provide housing for a particular client group.

Mandatory payment is designed to ensure that inflationary increases in the revenues of the projects (less costs) are returned to the Service Manager.

Minister's Order is a statutory instrument signed by a minister. A Minister's Order is normally made under the explicit authority of an Act, when the Act calls for something to be made or done by "order" of the minister.

Modified units: Units that have been modified to be accessible for individuals with physical disabilities.

Moveable assets includes all assets of local housing authority offices, such as furniture, and vehicles, as well as assets such as in the housing units.

Net operating income is the amount by which revenues exceed costs.

Non-recurring capital expenditures are one-time or very occasional (once every ten years) expenditures required to repair/replace significant building components. Examples of these types of expenditures would include roof replacement, window replacement, and boiler replacement.

Non-Targeted Households are households, which at the time of entry into social housing, did not qualify within the household income limits established for the size of unit within the service area or part of a service area in which the housing project is located.

Ontario Housing Corporation (OHC) was an agency of the Government of Ontario, governed by a board of directors appointed by Orders-in-Council.

Ontario Works provides financial social assistance for individuals and families and is administered by municipalities. Ontario Works also provides back-to-work incentives, job search training and job training opportunities.

Operating Expense Ratio assigns the share of revenue increase to cover expected inflation increases in operating costs. The operating expense ratio is a constant, established in the benchmark year.

Operational Review is an overview of the overall operations of a non-profit/co-operative housing project. An operational review is conducted every five years and looks at such things as administration, corporate requirements, finance, maintenance and tenant relations.

Order-in-Council is a decree made by the Lieutenant-Governor, issued with the advice of the Executive Council.

Projects in Difficulty: A project experiencing one or more of the following: mortgage and tax arrears; evidence of a board unaccountable for decisions; financial mismanagement or fraud; major technical/capital repair problems; conflict of interest; continued late submission of documents; significant accumulated deficit; and unauthorized sale/transfer/amalgamation.

Public Housing was owned and operated by the provincial government through the Ontario Housing Corporation and 54 local housing authorities.

Real property: Under the *Social Housing Reform Act*, each local housing corporation owns the properties within its local service area. The transfer includes the Ontario Housing Corporation's "interest" in land and housing projects. "Interest" is not the same as title.

Local housing corporations are responsible for normalizing title, including registering title, and the province will provide funding to assist municipal Service Managers with these costs for up to two years. In the meantime, the local housing corporations will have ownership rights and effective control of the projects.

Reasonable efforts a contractual obligation of the Ministry of Municipal Affairs and Housing outlined in the collective agreements the province has entered into with the Ontario Public Service Employees Union (OPSEU), the Association of Management, Administrative and Professional Crown Employees of Ontario (AMAPCEO), and the Professional Engineers and Architects of the Ontario Public Service (PEGO). This obligation requires the Ministry of Municipal Affairs and Housing to attempt to obtain job offers for any of its employees with the new employer where there is a disposition or any other transfer of bargaining unit functions or jobs to the private or broader public sectors.

Referral Agreements are agreements between housing providers and support service providers that provide for the placement of households in a specific number of units by the support service provider. Generally in these agreements the support service provider selects tenants needing their support services and provides those services. The housing provider generally

manages the landlord/tenant relationship while the support service provider manages the provision of services.

Regulations are sometimes called subordinate or delegated legislation, made under the authority of a statute. Regulations cannot be made without express statutory authorization and include only those matters authorized by the statute. The authorizing statute also sets out who makes the regulation and whether approval is required by another person or body. Most regulations require Cabinet approval; others require a minister's approval.

Remaining project surplus: After a mandatory payment has been made, any remaining surplus is split 50/50 between the Service Manager and the housing provider.

Rent-Geared-To-Income Subsidy is the difference between the market rents in a project and the rents paid by RGI tenants.

RGI standards govern issues related to social housing such as eligibility, the treatment of income and assets, rent calculation, selection of occupants and maintenance of occupant records.

Risk Management Centre is a centralized operation within the provincial government that will carry out the social housing-related risk management responsibilities of the province, and oversee the social housing-related risk management activities of the service managers prescribed within the *Social Housing Reform Act*.

Rural and Native Housing Program was established in 1974 to address the significant housing needs among the rural native community and non-native rural households. Thirty-seven per cent of the housing is targeted for self-declared natives, which includes Indians as defined in the Indian Act (Canada), non-status Indians, Métis or those of the Inuit race.

The program targets rural communities with a population of less than 2,500 at time of delivery, and applicants who would pay greater than 30 per cent of their incomes to obtain, affordable, suitable, and adequate housing on the private market. A secondary objective of the RNH was to create employment and training opportunities for Aboriginal people.

Due to the unique nature of the RNH program, the Ministry of Municipal Affairs and Housing agreed to consult with stakeholders to identify options for the future administration of the program. A decision on the future administration of the RNH program has not been made at this time but Service Managers should be aware of this program if it is active in their areas and make contingency plans for the administration, if devolved.

Service Delivery Model: Service Managers will have to decide how and where, within their own corporate structure, they will administer social housing for their area. This can be done separately, or in conjunction with other services, such as Ontario Works. This is referred to as a Service Delivery Model.

Snapshot Review is not as comprehensive as an operational review and is usually conducted on projects that have been consistently well managed.

Social Housing Services Corporation: A province-wide body, controlled by service managers and housing providers. The Social Housing Services Corporation will provide opportunities for cost savings and limit risk by taking advantage of economies of scale. The SHSC will handle group insurance, pooling of replacement reserves, ongoing benchmarking and best practices and bulk purchasing.

Targeted Households: Those households with incomes below the housing-income limit.


Targeting Plans identify for a housing provider the number or percentage of units in the project(s) which are rent-geared-to-income, high-need, market rent and possibly special need and/or modified for people with physical disabilities.

Title normalization The *Social Housing Reform Act* transfers the Ontario Housing Corporation properties to the Local Housing Corporations. The Local Housing Corporations must ensure that the titles of the properties are accurately reflected. This process is known as "title normalization".

Transfer orders: A list itemizing the "real" property that is being transferred to the municipality

Appendix 5

Joint Local Transfer Planning Checklist

CHECKLIST 1			
Joint Local Transfer Plan Criteria Checklist		Yes	No
IIIA	Governance, Roles and Accountabilities		
	There are no JLTP requirements for this section		
IIIB	Business Practices and Processes		
	Demonstration that all mandatory business practices and processes have been designed as referred to in Section VII and detailed on Checklist 2 attached.	<input type="checkbox"/>	<input type="checkbox"/>
IIIC	Service Delivery Model		
	Description of the service delivery model	<input type="checkbox"/>	<input type="checkbox"/>
	Description of changes to LHC governance structure (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
IIID	Organizational Changes		
	Written description of organizational changes and organizational chart(s) reflecting the Service Delivery Model	<input type="checkbox"/>	<input type="checkbox"/>
	Staffing Plan including the following:		
	Job Descriptions – with classifications of each position as union or management	<input type="checkbox"/>	<input type="checkbox"/>
	Expected salary ranges for each position	<input type="checkbox"/>	<input type="checkbox"/>
	Expected locations of work for each position	<input type="checkbox"/>	<input type="checkbox"/>
	Signed Memorandum of Understanding OR 	<input type="checkbox"/>	<input type="checkbox"/>
	Letter of Intent to deal with reasonable efforts obligations	<input type="checkbox"/>	<input type="checkbox"/>
	Training plan indicating program administration training required from the Area Transition Teams including training requirements for: <ul style="list-style-type: none"> • planning phase, • pre-transfer phase, • post-transfer phase. 	<input type="checkbox"/>	<input type="checkbox"/>
IIIE	Communications		
	A Communications Plan indicating: <ul style="list-style-type: none"> • how and when the Service Managers will communicate with stakeholders, • how housing providers were consulted during JLTP process. 	<input type="checkbox"/>	<input type="checkbox"/>
IIIF	Financial Plan		
	Confirmation that the Service Manager's council or DSSAB board has approved a budget for the administration costs to implement the approved Joint Local Transfer Plan	<input type="checkbox"/>	<input type="checkbox"/>

CHECKLIST 1			
Joint Local Transfer Plan Criteria Checklist		Yes	No
IIIG	Work Plan		
	Work plan that demonstrates that the transfer will be completed within 18 months from proclamation. The plan should include ministry work planning requirements and transfer completion date(s) for the provincial and federal non-profit transfers.	<input type="checkbox"/>	<input type="checkbox"/>
IIIH	Joint Local Transfer Plan		
	Letter of confirmation from Ministry Area Director	<input type="checkbox"/>	<input type="checkbox"/>

CHECKLIST 2**Joint Local Transfer Plan Business Practices and Processes Criteria**

Please answer the following question when completing this checklist: the Joint local Transfer Plan demonstrates that this business practice or process has been designed as referred to in Section VII.

Business Practices and Processes	Criteria Type	Specific Criteria to be met if MANDATORY	Yes	No
A. Ownership				
	Mandatory	If Joint Local Transfer Plan includes change to LHC ownership	<input type="checkbox"/>	<input type="checkbox"/>
B. Funding				
1. Operating Framework	Mandatory	JLTP demonstrates how the following mandatory processes will be administered: <ul style="list-style-type: none"> • mortgage and rent subsidy system • monthly subsidies to providers – cheque processing or direct deposit capability • receipt, review, and evaluation of financial reports • assessment and action on financial requests • determine process by which breaches of the Act will be identified and remedied 	<input type="checkbox"/>	<input type="checkbox"/>
New Funding Model and Benchmarking	Mandatory	• JLTP demonstrates processes for how the funding model and benchmarking will be administered	<input type="checkbox"/>	<input type="checkbox"/>
Funding and Administration of Federal Programs	Mandatory	• JLTP demonstrates processes for how the federal programs will be administered	<input type="checkbox"/>	<input type="checkbox"/>
2. Rent Supplement Program	Mandatory	JLTP demonstrates processes for how the rent supplement program will be administered	<input type="checkbox"/>	<input type="checkbox"/>
C. Program Administration				
C(B)2 Mortgage Renewals	Mandatory	JLTP demonstrates processes for tracking and recording information	<input type="checkbox"/>	<input type="checkbox"/>
		JLTP demonstrates process to adjust subsidy	<input type="checkbox"/>	<input type="checkbox"/>
C(B) Reporting and Monitoring	Mandatory	JLTP demonstrates process for reporting and monitoring	<input type="checkbox"/>	<input type="checkbox"/>
C(C) Risk Management				
1. Risk Management	Mandatory	JLTP demonstrates risk management processes and related administrative system	<input type="checkbox"/>	<input type="checkbox"/>

CHECKLIST 2**Joint Local Transfer Plan Business Practices and Processes Criteria**

Please answer the following question when completing this checklist: the Joint local Transfer Plan demonstrates that this business practice or process has been designed as referred to in Section VII.

D. Program Delivery				
D(A) Waiting List Management (Coordinated Access)	Mandatory	JLTP demonstrates processes for how the Co-ordinated Access System will be delivered including:	<input type="checkbox"/>	<input type="checkbox"/>
		• provision of information re social housing to the local area	<input type="checkbox"/>	<input type="checkbox"/>
		• a common application form for all social housing in the local area	<input type="checkbox"/>	<input type="checkbox"/>
		• an assessment of eligibility of applicant of social housing	<input type="checkbox"/>	<input type="checkbox"/>
		• provision of a common waiting list for all social housing administered by the Service Manager	<input type="checkbox"/>	<input type="checkbox"/>
D(B) RGI Standards and Income Testing	Mandatory	JLTP demonstrates processes for how RGI and financial testing will be delivered including:	<input type="checkbox"/>	<input type="checkbox"/>
		• who will be responsible for financial testing functions	<input type="checkbox"/>	<input type="checkbox"/>
		• how new occupancy standards will be set	<input type="checkbox"/>	<input type="checkbox"/>
		• how and when utility charges will be set	<input type="checkbox"/>	<input type="checkbox"/>
		• system to determine RGI eligibility and rent calculation	<input type="checkbox"/>	<input type="checkbox"/>
• accountability structure if third parties assume financial testing role.	<input type="checkbox"/>	<input type="checkbox"/>		

Appendix 6

Benchmarking Team – Terms of Reference

Opportunity

Currently, governments at all levels are looking for ways of achieving greater efficiencies and more cost-effective ways of delivering programs. They are moving towards a more business-like, results-based approach to their core businesses. There is a constant search for the right mix of incentive and control. The ministry wants to provide information and tools to non-profit and co-op housing providers that would help them improve the efficiency and effectiveness of their operations.

Benchmarking is a tool for performance improvement. It is an integral component of a performance management process. It involves the establishment of service standards, performance levels, performance indicators, baseline measurements or benchmarks as comparisons against which to measure future performance, within or outside of the organization.

This process also provides an opportunity for a detailed review of various practices as well as information about performance outcomes.

Expected Improvements Due to this Assignment

Expected outcomes of the project include:

- Determine cost and revenue benchmarks to be used for the new subsidy funding model
- Develop a tool for performance improvement
- Obtain comparative performance data for participating providers

- Establish realistic and achievable benchmarks for selected key components of housing management, that are in line with “best practice”
- Analyze and share data to identify opportunities for improvement, how to achieve improvement, and what impact they may have on overall success rate
- Institute a management practice based on continuous improvement that integrates benchmarking as a routine task, as a method of pursuing “best practice”

Benchmarking will give social housing providers opportunities to adapt new workable practices that may improve their operation. These new ways of doing business may assist housing providers in reducing costs and improving service in key business areas. Anticipated benefits include lower costs, improved services for tenants and applicants, and enhanced management of the non-profit/co-op housing stock. It is also anticipated that the adoption of benchmarking will maintain and/or enhance the value of the portfolio.

Expected outcomes overall:

- Improve strategic planning (e.g. business plan)
- Provide assessments of the strengths and weaknesses of the current core business processes and related critical work processes
- Foster organizational methods and practice
- Lead to potential cost savings
- Lead to improvements to services and business processes by comparing and adapting current methods and practices to those identified as “best practices”
- Foster and sustain an improved organizational capacity to successfully implement quality and process improvement initiatives

Scope

The project will aim to:

- Determine which type of benchmarking to undertake:
 1. Data – involves the measurement and comparison of statistics of performance, quality and costs;
 2. Process – builds on the comparison of data, exploring how differences in process produce different performance outcomes;
 3. Functional – involves the comparing the structure, operations and performance of a whole function on a systematic basis;
- Review full range of costs, revenues and services to determine most appropriate and effective balance of the components
- Gain a comprehensive understanding of policies, practices and procedures for the identified study group areas
- Understand performance levels within the group
- Understand the wealth of performance information that housing providers are already required to supply
- Devise appropriate, alternative, performance indicators which could be recommended more widely

Benchmarking will provide opportunities to non-profit/co-op providers to share cost information. In order to enhance the benchmarking exercise, the Benchmarking Team will collect, categorize and standardize initiatives. Benchmarking will be used as a tool as part of a planned approach to improving service quality.

The Benchmarking Team membership comprise individuals representing stakeholder groups with the following skills and expertise:

- Operational experience
- Financial analysis/management
- Creativity/innovator
- Information technology knowledge

- Analytical, research, problem solving
- Process Improvement
- Knowledge of benchmarking and process protocols

The Benchmarking Team will:

- Determine which key aspects of the housing management function to focus on;
- Develop process maps (e.g. provide actual examples against which other housing providers may wish to consider and compare themselves);
- Assess existing data;
- Develop questionnaires to fill gaps in available data;
- Propose new performance indicators for performance measurement based on levels of service categories;
- Define the terms on which data is gathered;
- Contact providers and collect business cost and revenue data that have had a positive impact on operation;
- Develop a user friendly template to standardize information collected from providers;
- Group information collected in several different functional areas (e.g. maintenance, tenant placement, etc.);
- Decide on a medium for sharing benchmarks to all non-profit/co-op providers and social housing administrators (e.g. Web site, e-mail box, newsletter, etc.);
- Develop methodology for the self-evaluation of the Benchmarking Team;
- Meet bi-weekly for a full day in Toronto (travel expenses will be reimbursed outside the GTA)
 - In addition a half day per month may be required to provide input and feedback on documents between meetings
- Work with consultants to accomplish the expected outcomes

Design Criteria

- Must be measurable using existing data systems;
- Must measure elements that specifically relate to efficiency and cost-effectiveness;
- Must be developed using reliable and valid comparisons;
- Must be understandable, timely, resistant to statistical manipulation, comprehensive, non-redundant, and sensitive to data collection cost;
- Must be linked to the new Subsidy Funding Model;
- Identify a process for maintaining and updating benchmarks.

Time, Cost and Quality Constraints

Time: First meeting to begin in June 2000

Quality: The quality will depend on knowledge and expertise of the team members, senior management support and the field support

Expert Panels

The Social Housing Benchmarking team is looking for non-profit, co-op, and public housing providers to provide input into the setting of service levels in the key service activities of housing provider operations.

Five expert panels are being organized as follows:

1. Maintenance
2. Waiting list management
3. Resident & community relations
4. Finance & administrative management
5. Specials

The service levels agreed to by the expert panels in these five areas will be used to develop financial benchmarks, both revenue and cost, to run the new funding model.

We are looking at having a mix of providers (to get a representative sample of social housing across Ontario) in each of the panels; ideally 10 to 12 participants for each panel. In addition to the panel dealing with specials (e.g. hard-to-house residents, supportive housing, etc.), at least one specials representative will be asked to participate in each of the other four panels. Each panel will meet twice, two full-day meetings in Toronto, once in the fall and once in the winter. Travel expenses of participants will be reimbursed.

Once the dates for the expert panel meetings are scheduled, participants will be contacted about place, date, time and further background material about their role. The Social Housing Benchmarking Team will review the proposed list of names for the expert panels to ensure a representative sample.

Appendix 7

Regulations Under the *Social Housing Reform Act, 2000*

Regulation Making Authority		For Stage 1 Transfer?	For Stage 2 Transfer?
For the purposes of Part I "INTERPRETATION"			
168	1. Prescribing housing programs for the purposes of the definition of "federal funding" in section 2.	O. Reg. 645/00	No change
	2. Prescribing criteria for the purpose of the definition of "high need" household in section 2.	O. Reg. 645/00	No change
	3. Prescribing programs for the purposes of the definition of "housing program" in section 2.	O. Reg. 645/00	No change
For the purposes of Part II "SERVICE MANAGERS"			
169 (1)	1. For the purposes of section 5 (powers of service managers), prescribing additional powers and prescribing conditions and restrictions on the exercise of powers.	None anticipated	None anticipated
	2. Prescribing municipalities for the purposes of subsection 8 (2) (powers of dssab service managers re debentures).	List of municipalities.	No change
	3. Prescribing housing programs for the purposes of subsection 9 (2) (restrictions re mortgage financing).	O. Reg. 645/00	No change
	4. Prescribing the matters referred to in subsection 10 (1) as being prescribed (duties re transferred housing programs).	O. Reg. 645/00	Revise to add ministry programs
	5. For the purposes of subsection 10 (3), prescribing criteria and rules to be met with respect to the administration and funding of housing programs.	O. Reg. 645/00	No change
	6. Prescribing housing providers for the purposes of subsection 10 (6) (language of services).	Not required	List of housing providers
	7. Prescribing the matters referred to in subsection 11 (1) (service levels, households) as being prescribed.	O. Reg. 645/00	Revise to add ministry programs
	8. Prescribing housing programs for the purposes of subsection 11 (2) (exclusions).	O. Reg. 645/00	No change
	9. Prescribing the matters referred to in subsection 11 (3) (service levels, modified units) as being prescribed.	O. Reg. 645/00	Revise to add ministry programs

Regulation Making Authority		For Stage 1 Transfer?	For Stage 2 Transfer?
	10. For the purposes of subsection 12 (1) (prescribed duties), prescribing additional duties of service managers.	None anticipated	None anticipated
	11. For the purposes of subsection 12 (2) (prescribed duties), prescribing conditions and restrictions on the performance of duties.	None anticipated	None anticipated
	12. Prescribing conditions and restrictions for the purposes of clause 15 (1) (b) (appointment of administrator).	None anticipated	None anticipated
	13. For the purposes of subsection 18 (4) (housing project in difficulty), prescribing information to be included in the written notice.	Not required	Specific requirements
	14. For the purposes of section 19 (records), prescribing the records to be kept by a service manager and the length of time that they must be kept.	Specific requirements	No change
	15. Prescribing dates, information and documents for the purposes of subsections 20 (1) and (2) (annual report).	Specific requirements	No change
169 (2)	1. For the purposes of subsection 4 (1) (designation of service manager), designating municipalities, district services administration boards, area services boards and other agencies, boards and commissions as service managers.	Per O. Reg. 638	No change
	2. For the purposes of subsection 4 (2) (service area), specifying the geographic area that is the service area of each service manager.	Per O. Reg. 638	No change
	3. Establishing a system or process by which a service manager may obtain mortgage financing on behalf of or for the benefit of a housing provider described in section 9. The regulation may authorize another ministry or entity to operate the system or process.	None anticipated	None anticipated
	4. For the purposes of subsection 16 (2) (agreement regarding performance by another person), prescribing conditions and restrictions on the authority of the service manager to enter into an agreement and on the scope of the agreement.	None anticipated	None anticipated
For the purposes of Part III "LOCAL HOUSING CORPORATIONS"			
170 (1)	1. For the purposes of subsection 23 (7) (first share issuance), prescribing the number of common shares a local housing corporation is deemed to have issued to a prescribed service manager.	O. Reg. 644/00	No change
	2. For the purposes of subsection 32 (3) (relationship of local housing corporation to related service manager), prescribing provincial rules governing the accountability of a local housing corporation to its related service manager for its operations and activities.	O. Reg. 644/00	No change

Regulation Making Authority		For Stage 1 Transfer?	For Stage 2 Transfer?
	3. Prescribing housing programs for the purposes of subsection 32 (5) (relationship of local housing corporation to related service manager).	O. Reg. 644/00	No change
	4. For the purposes of paragraph 3 of subsection 32 (5) (relationship of local housing corporation to related service manager), prescribing rules respecting the establishment and use of benchmarks and best practices.	None anticipated	Specific requirements
170 (2)	1. For the purposes of paragraph 1 of subsection 32 (5) (relationship of local housing corporation to related service manager), prescribing the manner of determining the amounts payable by a service manager to a local housing corporation.	For 2001	No change
For the purposes of Part IV "TRANSFER ORDERS"			
171 (1)	1. Prescribing the matters referred to in subsections 41 (1) and (2) (inspection of transfer orders) as being prescribed.	O. Reg. 645/00	No change
	2. Prescribing the matters referred to in subsection 48 (3) (transfer deemed not to have certain effects) as being prescribed.	None anticipated	None anticipated
	3. Prescribing criteria for the purposes of subparagraph 4 ii of subsection 50 (2) (restrictions, real property).	O. Reg. 645/00	No change
	4. Prescribing the matters referred to in section 60 (legislation from which certain transfers exempt) as being prescribed.	O. Reg. 645/00	No change.
	5. Governing the transfer of assets, liabilities, rights and obligations, including the transfer of employees, under Part IV and supplementing the provisions of Part IV.	None anticipated	None anticipated
171 (2)	1. Prescribing archival documents or classes of archival documents for the purposes of subsections 55 (3) and (6) (transfer of documents).	Classes of documents (for local housing authority programs)	Revise to add ministry programs
For the purposes of Part V "ELIGIBILITY FOR ASSISTANCE"			
172 (1)	1. Prescribing policy statements to be applied in the interpretation of Part V and of regulations made with respect to Part V and requiring service managers, lead agencies and housing providers to apply them.	O. Reg. 643/00	Revise to incorporate new policies
	2. Prescribing housing programs for the purposes of the definition of "designated housing project" in section 62.	O. Reg. 643/00	Revise to incorporate new policies
	3. Prescribing information and documents for the purposes of subsection 65 (2) (application for assistance).	O. Reg. 643/00	Revise to incorporate new policies

Regulation Making Authority	For Stage 1 Transfer?	For Stage 2 Transfer?
4. Prescribing the requirements for a notice given under subsection 66 (5) (eligibility for assistance).	O. Reg. 643/00	Revise to incorporate new policies
5. Prescribing the requirements for a notice given under subsection 67 (4) (type of accommodation).	O. Reg. 643/00	Revise to incorporate new policies
6. For the purposes of subsection 68 (1) (waiting lists for units), prescribing the requirements to be met by service managers when establishing and administering waiting lists.	O. Reg. 643/00	Revise to incorporate new policies
7. For the purposes of subsection 68 (4) (waiting lists for units), prescribing the requirements to be met when determining the category within a waiting list a household is to be included in.	O. Reg. 643/00	Revise to incorporate new policies
8. Prescribing the requirements for a notice given under subsection 68 (6) (waiting lists for units).	O. Reg. 643/00	Revise to incorporate new policies
9. For the purposes of subsection 69 (2) (amount of geared-to-income rent), prescribing the standards to be used when determining the amount of geared-to-income rent payable by a household.	O. Reg. 643/00	Revise to incorporate new policies
10. Prescribing the requirements for a notice given under subsection 69 (3) (amount of geared-to-income rent).	O. Reg. 643/00	Revise to incorporate new policies
11. For the purposes of subsection 70 (2) (deferral of rent), prescribing the requirements to be met for an application for deferral of rent.	O. Reg. 643/00	Revise to incorporate new policies
12. Prescribing circumstances and criteria for the purposes of subsection 70 (3) (deferral of rent).	O. Reg. 643/00	Revise to incorporate new policies
13. Prescribing the requirements for a notice given under subsection 70 (4) (deferral of rent).	O. Reg. 643/00	Revise to incorporate new policies
14. Prescribing information and documents for the purposes of subsection 71 (2) (application for special needs housing).	O. Reg. 643/00	Revise to incorporate new policies
15. Prescribing the requirements for a notice given under subsection 72 (5) (eligibility for special needs housing).	O. Reg. 643/00	Revise to incorporate new policies
16. Prescribing the requirements for a notice given under subsection 73 (4) (type of accommodation).	O. Reg. 643/00	Revise to incorporate new policies

Regulation Making Authority	For Stage 1 Transfer?	For Stage 2 Transfer?
17. For the purposes of subsection 74 (1) (waiting lists for special needs housing), prescribing the requirements to be met by service managers, supportive housing providers and lead agencies when establishing and administering waiting lists.	O. Reg. 643/00	Revise to incorporate new policies
18. For the purposes of subsection 74 (3) (waiting lists for special needs housing), prescribing the requirements to be met when determining the category within a waiting list a household is to be included in.	O. Reg. 643/00	Revise to incorporate new policies
19. Prescribing the requirements for a notice given under subsection 74 (5) (waiting lists for special needs housing).	O. Reg. 643/00	Revise to incorporate new policies
20. Prescribing requirements for the provision of information, for the purposes of subsection 74 (7) (waiting lists for special needs housing).	O. Reg. 643/00	Revise to incorporate new policies
21. For the purposes of section 76 (eligibility rules), establishing provincial eligibility rules for rent-gear-to-income assistance and for special needs housing.	O. Reg. 643/00	Revise to incorporate new policies
22. For the purposes of subsection 75 (5) (eligibility rules), prescribing the matters that may be dealt with in local eligibility rules.	Not implemented	Specific rules
23. For the purposes of subsection 75 (6) (eligibility rules), prescribing the requirements with which a service manager must comply in establishing local eligibility rules.	O. Reg. 643/00	Revise to incorporate new policies
24. Establishing provincial occupancy standards for the purposes of section 76 (occupancy standards).	O. Reg. 643/00	No change
25. Prescribing the matters referred to in subsection 76 (4) (occupancy standards) as being prescribed.	Not implemented	List of programs and date
26. Establishing provincial priority rules for the purposes of section 77 (priority rules).	O. Reg. 643/00	Revise to incorporate new policies
27. For the purposes of subsection 82 (2) (internal review), prescribing requirements relating to a request for an internal review of a decision.	O. Reg. 643/00	Revise to incorporate new policies
28. For the purposes of subsection 83 (1) (conduct of review), prescribing requirements for the conduct of an internal review of a decision.	O. Reg. 643/00	Revise to incorporate new policies
29. For the purposes of subsection 86 (3) (reimbursement of service manager), prescribing the requirements for determining the amount to be paid to the service manager.	Not implemented	Method of calculation

Regulation Making Authority		For Stage 1 Transfer?	For Stage 2 Transfer?
	30. Prescribing a percentage for the purposes of subsection 86 (5) (reimbursement of service manager).	Not implemented	Percentage
	31. Prescribing the requirements for a notice given under subsection 86 (6) (reimbursement of service manager).	Not implemented	Notice requirements
	32. Prescribing requirements for the purposes of subsection 88 (1) (designation of lead agencies).	None anticipated	None anticipated
	33. Terminating a referral agreement and prescribing the date on which it is terminated, for the purposes of subsection 89 (2) (referral agreements).	None anticipated	None anticipated
	34. Prescribing rules for the purposes of subsection 89 (3) (referral agreements).	None anticipated	None anticipated
172 (2)	1. For the purposes of section 64 (service manager, supportive housing provider or lead agency), prescribing provisions of Part V that apply to a supportive housing provider in respect of a specified service area.	Sections pertaining to supportive housing	No change
	2. For the purpose of subsection 90 (5) (application procedures), prescribing requirements to be met by service managers, supportive housing providers and lead agencies in establishing application procedures for special needs housing.	None anticipated	None anticipated
For the purposes of Part VI "OPERATING FRAMEWORK FOR DESIGNATED HOUSING PROVIDERS"			
173 (1)	1. Prescribing the matters referred to in section 91 (termination of operating agreements) as being prescribed.	Not required	List of projects
	2. Prescribing rules for the purposes of clause 95 (3) (a) (restriction on mortgage, etc., of housing project).	Not required	None anticipated
173 (2)	1. For the purposes of section 91 (provincial requirements for housing providers), establishing provincial requirements for housing providers.	Not required	Specific requirements
	2. For the purposes of subsection 94 (1) (local standards), prescribing the matters that may be dealt with in local standards for housing providers.	Not required	None anticipated
	3. For the purposes of subsection 102 (2) (duty to pay subsidy), prescribing the date on which the duty to pay a subsidy for a housing project is terminated.	Not required	Date for each housing provider
	4. Prescribing one or more market rent indices for the purposes of section 103 (general subsidy).	Not required	Indices
	5. Prescribing the manner of determining the amount of the operating reserve referred to in the definition of "P" in subsection 103 (10) (general subsidy).	Not required	Method of calculation

Regulation Making Authority		For Stage 1 Transfer?	For Stage 2 Transfer?
	6. Prescribing the manner of determining the amount referred to in subsection 103 (11) (general subsidy).	Not required	Method of calculation
	7. Prescribing the manner of determining the amounts referred to in subsection 104 (1) (benchmark revenue, etc.).	Not required	Method of calculation
	8. Prescribing units and classes of units for the purposes of paragraph 4 of subsection 104 (1) (benchmark revenue, etc.).	Not required	Classes of housing units
	9. Prescribing housing providers for the purposes of subsection 106 (1) (subsidy re certain housing providers).	Not required	List of housing providers
	10. Prescribing one or more cost indices for the purposes of section 106 (subsidy re certain housing providers).	Not required	Indices
	11. Prescribing the manner of determining benchmark operating costs for the purposes of section 107 (benchmark operating costs).	Not required	Method of calculation
	12. Prescribing the manner of determining the amount of the operating reserve referred to in the definition of "H" in subsection 106 (4) (subsidy re certain housing providers).	Not required	Method of calculation
	13. Prescribing requirements referred to in section 110 (guidelines and requirements).	Not required	Method of calculation
	14. Prescribing terms and conditions for the purposes of subsection 111 (3) (additional subsidy).	Not required	List of conditions
	15. For the purposes of section 112 (records), prescribing the records to be kept by a housing provider and the length of time that they must be kept.	Not required	Specific requirements
	16. Prescribing information and documents for the purposes of subsection 113 (2) (annual report).	Not required	Specific requirements
	17. For the purposes of subsections 113 (3) and (4) (report re households), requiring housing providers to give the service manager a report and prescribing information and documents to be included in the report.	Not required	Specific requirements
For the purposes of Part VII "PAYMENT OF PROVINCIAL AND LOCAL HOUSING COSTS"			
174 (1)	1. Prescribing housing programs and costs for the purposes of subsection 122 (1) (provincial housing costs)	O. Reg. 642/00	No change
	2. For the purposes of subsection 122 (3), (provincial housing costs), prescribing billing periods and prescribing the manner of determining the amount of the provincial housing costs for a billing period.	O. Reg. 642/00	No change
	3. Prescribing the manner of making the determination required by subsection 128 (1) (recoverable amount).	O. Reg. 642/00	No change

Regulation Making Authority	For Stage 1 Transfer?	For Stage 2 Transfer?
4. Prescribing the manner of making the allocation required by subsection 123 (2) (allocation).	O. Reg. 642/00	No change
5. Prescribing the other information referred to in subsection 123 (3) (notice).	O. Reg. 642/00	No change
6. Governing interest and penalties for the purposes of section 125 (interest and penalties).	O. Reg. 642/00	No change
7. Prescribing amounts for the purposes of subsection 127 (2) (service manager's housing costs).	O. Reg. 642/00	None anticipated
8. For the purposes of subsection 128 (1) (calculation by service manager), prescribing requirements for the calculation of the amount of the service manager's housing costs.	O. Reg. 642/00	None anticipated
9. Governing the apportionment of a municipal service manager's housing costs for the purposes of subsection 129 (1) (apportionment by municipal service manager).	O. Reg. 642/00	No change
10. Prescribing information to be included in the notice required by subsection 129 (2) (apportionment by municipal service manager).	O. Reg. 642/00	No change
11. Governing the apportionment of a dssab service manager's housing costs for the purposes of section 130 (apportionment by dssab service manager).	O. Reg. 642/00	No change
12. For the purposes of section 130 (apportionment by dssab service manager), specifying that a municipality shall be deemed to be territory without municipal organization.	O. Reg. 642/00	No change
13. Governing payment by the Minister to a dssab service manager of the amounts referred to in subsection 130 (4) (payment).	O. Reg. 642/00	No change
14. Governing payment by the Minister to a dssab service manager of the amount referred to in clause 130 (5) (a) and payment by the Minister to a dssab service manager of the amount referred to in clause 130 (5) (b).	O. Reg. 642/00	No change
15. Governing interest and penalties for the purposes of section 132 (interest and penalties).	O. Reg. 642/00	No change
16. Prescribing housing programs for the purposes of subsection 134 (3) (use of federal funds).	O. Reg. 642/00	No change
17. Governing the duties of the Minister set out in subsection 136 (5) (GTA equalization).	O. Reg. 642/00	No change
18. Governing interest and penalties for the purposes of subsection 136 (9) (GTA equalization).	O. Reg. 642/00	No change
19. Prescribing the requirements for a notice given under subsection 138 (2) (request for review).	None anticipated	None anticipated

Regulation Making Authority		For Stage 1 Transfer?	For Stage 2 Transfer?
	20. For the purposes of subsection 138 (3) (request for review), prescribing criteria for determining whether an allocation is reviewable.	None anticipated	None anticipated
For the purposes of Part VIII "SOCIAL HOUSING SERVICES CORPORATION"			
175	1. Prescribing housing providers for the purposes of clauses 140 (2) (c) and (d) (creation of corporation).	Not implemented	List of housing providers
	2. Prescribing requirements for the purposes of clause 140 (2) (e) (creation of corporation).	Not implemented	List of housing providers
	3. Prescribing housing providers and housing programs for the purposes of clauses 141 (a), (b), (c) and (d) (objects of the corporation).	Not implemented	List of housing providers
	4. Prescribing housing providers for the purposes of clauses 142 (1) (b), (c), (d), (e), (f), and (g) (powers).	Not implemented	List of housing providers
	5. Governing the selection of the members of the board of directors described in paragraphs 1 to 7 of subsection 143 (1).	Not implemented	Specific rules and procedures
	6. Prescribing the expenditures of the corporation that the members who are service managers must pay and the manner in which they must be paid, for the purposes of section 152 (expenditures in and after 2003).	Not implemented	Not implemented
	7. Prescribing information and documents for the purposes of subsection 153 (2) (annual report).	Not implemented	Specific requirements
	8. Prescribing the matters referred to in subsection 154 (1) (reports by service managers, etc.) as being prescribed.	Not implemented	Specific requirements
For the purposes of IX "GENERAL"			
176	1. Prescribing transferred housing programs for the purposes of subsection 157 (1) (power to amend, replace certain agreements).	Not required.	List of programs
	2. For the purposes of subsection 159 (2) (eligibility review officers), prescribing the powers of eligibility review officers.	Not implemented	Specific powers
	3. For the purposes of subsection 159 (4) (family support workers), prescribing the powers and duties of family support workers.	Not implemented	Specific powers and duties
	4. For the purposes of subsection 162 (1) (personal information), prescribing housing programs and housing projects and governing standards for the collection, use, disclosure and safeguarding of privacy of personal information and for a person's access to his or her personal information	O. Reg. 645/00	No change
	5. Prescribing bodies for the purposes of paragraph 6 of subsection 163 (1) (agreements of Minister).	None anticipated	None anticipated

Regulation Making Authority		For Stage 1 Transfer?	For Stage 2 Transfer?
	6. Prescribing statutes for the purposes of clauses 163 (2) (b) and (c) (agreements of Minister).	None anticipated	None anticipated
	7. Prescribing Acts for the purposes of clauses 164 (2) (b) and (c) (agreements of service managers).	None anticipated	None anticipated
	8. Prescribing types of personal information and rules for the disclosure or sharing of each type of personal information, for the purposes of section 166 (restriction re prescribed personal information).	Not implemented	Specific exclusions