

Information Brief

For the Housing Strategic Steering Committee

Topic:	Interruption in National Housing Strategy funding for Ontario
Date:	April 09, 2024
To:	Housing Service Managers of Ontario
From:	Housing Strategic Steering Committee (HSSC)

Issue

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

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

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

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

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

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

In short, the Province of Ontario is claiming that the repair of existing affordable housing units is as, or more, important than creating new additional affordable

housing and should count towards the Federal government's new affordable housing supply target.

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

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

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

Near-term Considerations for Service Managers and DSSABs:

- Engage respective Councils and affordable housing sectors to advocate for the resolution of this conflict and timely continuation of funding.
- Advise respective Councils and affordable housing sectors of the overall situation and associated risks. In particular:
 - Determine the number of households at risk from the pause in funding, including COHB and OPHI Shared Delivery benefit recipients, and the required municipal investment to backstop these households to prevent homelessness;
 - Determine risks to projects and providers from the pause in COCHI and OPHI funding and the required municipal investment to backstop this loss and maintain progress on projects and support provider operations.

Medium to Long-term Considerations for Service Managers & DSSABs

- Given the nationally unique arrangement of Service Managers and District Social Services Administration Boards responsible for the delivery of social services and supports in Ontario, should consider the merits and drawbacks of moving beyond bilateral funding arrangements in Ontario to direct funding agreements with the Federal government (consider Reaching Home or Rapid Housing Initiative), and/or trilateral funding agreements, to manage risks.

Background

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

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

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

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

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

WHEREAS there is an unprecedented national housing affordability crisis nationally;

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

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

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

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

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

WHEREAS the national housing affordability crisis is most acute in Ontario;

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

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

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

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

BE IT RESOLVED that the Warden advocate to the Federal and Provincial governments that the funding dispute must be resolved to limit mounting harms to some of Ontario's most vulnerable families;

BE IT RESOLVED that the Warden send urgent correspondence to the provincial and federal Ministers of Housing to confirm that financial support will continue for vulnerable households across Ontario currently in receipt of the Canada-Ontario Housing Benefit prior to May 31, 2024;

BE IT RESOLVED that the Warden advocate to the Federal and Provincial governments to continue to fund SMs/DSSABs an amount equivalent to the monies under the CMHC-Ontario Bilateral agreement in the National Housing Strategy until a new funding agreement can be reached.

BE IT RESOLVED that the Warden advocate to the Federal and Provincial governments to establish a trilateral table including the SMs/DSSABs, to negotiate the final 3 year tranche of funding under the National Housing Strategy.