

Community housing renewal strategy

Learn about Ontario's strategy to sustain, repair and grow our community housing system.

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Introduction

Community housing – sometimes referred to as social and affordable housing – is a vital community resource, providing homes to over 250,000 families and individuals across Ontario. Today's system has faced great challenges and Ontario is at risk of losing our community housing, at a time when we need more. Some buildings need significant repairs and, in some regions, there just isn't enough housing. The housing that is available doesn't always meet people's needs and the community housing system itself is complicated and full of red-tape.

Our government is putting people first and introducing our **Community Housing Renewal Strategy** that outlines how we will work with our partners to stabilize and grow the community housing sector.

When people have the housing they need, they have better health, education and employment outcomes. When housing is affordable and in areas near transit, schools, workplaces and amenities, individuals have the opportunity to manage their lives and raise their families.

While most Ontarians find housing in the private market, there are many low-income households who require some form of assistance through the community housing system.

Between 1991 and 2016, the number of Ontario households needing assistance increased from approximately 12% to 15% of total households (Statistics Canada/Canada Mortgage and Housing Corporation, Census of Population (1991-2016) and National Household Survey (2011)).

Finding affordable housing can be especially challenging for those who are working at minimum wage jobs, struggling to find employment or on social assistance.

Right now, 56% of renter households in Ontario cannot afford the average rent for a 2-bedroom apartment (\$1,266). Rising housing costs have a significant impact on low-income households, who may have to choose between putting food on the table and paying the rent.

Ontario's Community Housing Renewal Strategy is focused on affordable housing for low-income households and the non-profit, co-operative and municipal housing sector. Our strategy will help sustain, repair and grow our community housing system, making it work better for the people it serves.

The Ontario government is developing a detailed action plan to increase the supply of market housing. The **Housing Supply Action Plan** is a result of an online consultation to gather ideas on creating more affordable and good-quality places to live. Over 85% of the more than 2,000 submissions received through the consultation came from the general public. More than half said their top criteria when looking for a home were affordability, followed by transit, schools and services located nearby. The action plan, together with this Community Housing Renewal Strategy, demonstrates our commitment to helping Ontarians find a home that meets their needs and their budget.

What is community housing?

Community housing is housing owned and operated by non-profit housing corporations, housing co-operatives and municipal governments or district social services administration boards. These providers offer subsidized or low-end-of market rents – housing sometimes referred to as social housing and affordable housing.

Social housing was developed through federal or provincial government programs from the 1950s through 1995. Over 250,000 households live in social housing. About 185,000 pay a geared-to-income rent and the rest pay a moderate market rent.

Affordable housing programs since 2002 have led to the construction of about 21,800 rental units with rents maintained at or below 80% of Average Market Rent for at least 20 years. These units were built in both the community and market sector.

The hundreds of community housing providers that have created housing through these programs operate across Ontario and are a vital part of our housing system. They make up more than 20% of all purpose-built rental housing in Ontario. The insured replacement value of community housing is over \$30 billion – and this doesn't include the value of the land it is built on. We cannot afford to lose this vital rental housing.

Why we have a community housing renewal strategy

Community housing provides a home to many people who have difficulty finding housing in the private market. Community housing provides a home to people working low-income jobs, seniors, those living on social assistance, and individuals with developmental disabilities, mental health and addictions challenges and people who have experienced homelessness. Community housing also provides priority access to those who have experienced domestic violence and human trafficking.

In every decision that we make, we put the experience of people first. We have heard from so many with lived experience that today's community housing system just isn't working.

Supply



Problem

There is a real risk of losing community housing supply. Much of Ontario's community housing stock is old and needs major repairs – some has already been taken out of use because of its poor condition. In some communities, the housing built decades ago no longer meets the needs of people today.

In addition, many non-profit and cooperative housing providers don't know what the rules will be when their original program obligations end. Many are faced with financial or other challenges in order to continue to offer housing to people who need it the most.

Solution

Our plan will work to increase supply and an appropriate mix of affordable and adequate housing

People



Problem

Many individuals have difficulties accessing the Community Housing system and once in community housing, there can be real problems.

- The waiting list system for social housing doesn't always do a good job of matching those in greatest need with the housing that is best for them.
- The community housing system is not coordinated with other housing access systems.
- Some community housing tenants tell us they don't feel safe in their homes and want additional steps taken to maintain communities where they can thrive.
- Some tenants may need additional help to keep their housing, but support services may not be available, or well coordinated.

Solution

Our plan will improve access to affordable housing and supports that meet people's needs to achieve housing stability.

System



Problem

Ontario's community housing system is a maze of complex rules and red tape that has developed over decades. For example, rules for rent-geared-to-income calculations are complicated and intrusive for tenants. The approach discourages tenants from pursuing education and earning more income. Furthermore, it's hard for providers to administer fairly and correctly for all tenants. Providers and Service Managers tell us they spend too much time on reporting and administration and not enough time directly helping tenants. Old, inefficient rules make it difficult for housing providers to manage their assets, build new housing and offer innovative services for the people who need them. Government ministries need to work together better to coordinate programs, services and supports across the system so that housing works for the people of Ontario.

Solution

Our plan will improve efficiency of the community housing system to ensure value-for-money and long-term sustainability.

Auditor General's recommendations

- In 2017 the Ontario Auditor General released a Value for Money Audit of social and affordable housing.
- The report concluded that while some progress had been made, there are areas that still require work, such as putting in place measures to address the impacts of the expiry of original contracts.
- This strategy directly responds to many of the Auditor General's specific recommendations such as simplifying rent-geared-to-income calculations and improving the waiting lists so that households in greatest need are better connected with available housing supports.

Expiry of original program obligations

Approximately 60% of community housing supply was developed through funding agreements between governments and non-profits, housing co-operatives, and private landlords. The

remaining 40% was public housing that has been transferred to municipalities and District Social Service Administration Boards to own and manage.

For the non-profit and co-operative housing providers, funding agreements were time-limited – typically for 35 to 40-year periods – and many are now coming to an end. Often the original mortgages for the housing projects are maturing about the same time.

Some housing providers will no longer have to provide affordable or subsidized housing once their agreement expires or mortgage matures. This has resulted in a loss of about 6,500 community units to date. Over the next three years, 289 non-profit and co-operative providers with 41,000 units are at risk of exiting the community housing portfolio due to reaching the end of their legacy agreements. By 2027, this increases to 106,600 units at risk.

Without provincial action soon, some providers may stop providing subsidized and low-end of market housing to low-income Ontarians when they are no longer legally obligated to do so.

Municipalities, housing providers and sector organizations are asking what we are doing to protect our community housing supply. Community housing providers have also told us that they need clarity to plan for the future and support to develop the capacity to operate in a more sustainable and business-like manner.

Building a better community housing system requires strong partners

Community housing providers

Ontario has over 1,000 community housing providers. These non-profits, housing co-operatives and municipal providers are all essential in the development, delivery and ongoing sustainability of community housing. Housing providers, their tenants, communities and three levels of government need to work together to build the housing we need.

Market providers of community housing

Private market landlords have a key role to play as well. Some have program agreements – called rent supplement agreements – to provide ongoing access to affordable units for households on social housing waiting lists, or individuals in need of supportive housing.

Some programs provide tenants with housing allowances or portable benefits that enable people to find the housing that best meets their needs in the private market. Our **Housing Supply Action Plan** will make it faster and easier to build housing. Ensuring a good mix of different kinds of housing will help make housing more affordable for all types of households, whether that means a unit in a community housing building or financial assistance to help people rent in the private market

Indigenous providers of community housing

In Ontario, approximately 18% of Indigenous households are in core housing need, compared to 13% of non-Indigenous households. Additionally, 80% or more of Indigenous people in Ontario live off-reserve and therefore use provincially supported housing, rather than federal supported housing.

Core housing need

A household is considered in core housing need if its housing falls below at least one of the Canada Mortgage and Housing Corporation's (CMHC) standards for adequacy, affordability or suitability standards, and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing.

Ontario's community housing system includes approximately 40 Indigenous housing providers that provide welcoming and culturally-appropriate homes for Indigenous people. Many of these providers have delivered housing under programs originally funded by the federal government – such as the Urban Native Housing and Rural and Native Housing programs – and are concerned about the future as these older agreements come to an end. The bilateral agreement, under the National Housing Strategy, between the province and federal government secures federal funding that was declining for these programs and ensures it will be reinvested to provide safe housing for Indigenous households.

Ontario also works with two Indigenous Program Administrators to provide funding for new housing initiatives that support Indigenous-specific solutions. The province provides funding to Ontario Aboriginal Housing Services and Miziwe Biik Development Corporation through the Indigenous Supportive Housing Program. This program provides help with rent and support services for Indigenous people who are experiencing homelessness, especially those who are chronically homeless, homeless youth, and those transferring from institutions and service systems, such as hospitals and jails.

Government investments

The municipal sector is the lead partner in the planning, coordination and delivery of housing and homeless services. Forty-seven municipal Service Managers (municipalities and district social services administration boards) fund and administer community housing.

The provincial and federal governments were the source of much of the original funding to build the community housing we have today.

The province sets the policy direction for housing and homelessness in Ontario and provides the legislative authority for community housing. The province is the primary funder of supportive housing and homelessness and plays a key role in removing barriers and providing supports.

The federal government provides funding through a legacy social housing agreement (Social Housing Agreement), with funding declining each year as original program arrangements come

to an end. Since then, the federal and provincial governments have partnered in cost-sharing a series of federal-provincial agreements. In 2017, the federal government released the National Housing Strategy, partnering with provinces and territories to renew its commitment to investments in housing.

In April 2018, Ontario and the federal government signed a bilateral agreement, agreeing to how the two levels of government will work together – and with municipal governments – to deliver federal investments in Ontario.

Continued partnerships are essential to achieving our goals for community housing – not just partnerships in funding, but in creating the right environment for community housing providers and their tenants to thrive.

Investment contributions

Across all three governments, approximately \$5 billion was spent on housing and homelessness services in Ontario in 2017-18 (the most recent year spending information is available).

Municipalities are the biggest contributors to community housing, with support from the federal government and the province. The province is the primary funder of homelessness services, with some municipalities making a large contribution and some communities receiving federal funding as well. The province is the primary funder of supportive housing programs, which combines subsidized housing with support services.

Spending varies from year to year, but overall the province is the largest contributor to housing and homelessness spending in Ontario.

Ontario is pleased that the federal government has committed to housing with its National Housing Strategy. However, continued action is needed for ongoing federal funding to repair, maintain and grow Ontario's community housing.

Chart 1: Share of spending by program type

This chart shows the share of spending by different levels of government across community housing, homelessness and supportive housing, over the four years from 2014-15 to 2017-18.

Group	Municipal	Provincial	Federal
Community Housing	54%	11%	35%
Homelessness	23%	69%	8%
Supportive Housing	0.5%	99%	0.5%

This is a bar graph. [Skip to table of the same data.](#) [Skip to end of graph.](#)

Municipal
Provincial
Federal

Community Housing

Municipal: 54% 54%

Provincial: 11% 11%

Federal: 35% 35%

Homelessness

Municipal: 23% 23%

Provincial: 69% 69%

Federal: 8%

Supportive Housing

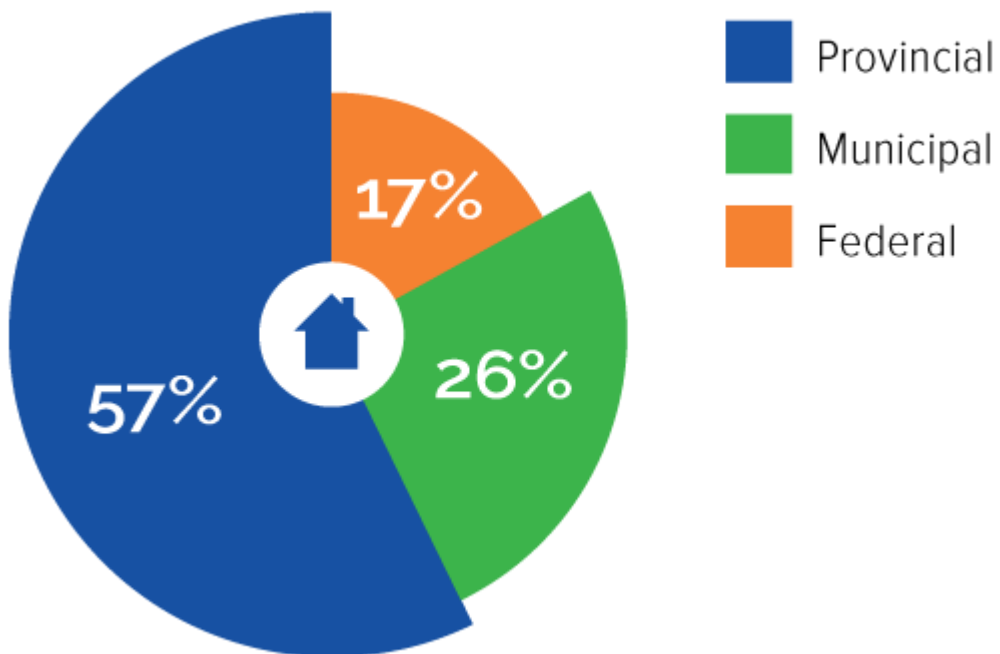
Municipal: 0.5%

Provincial: 99% 99%

Federal: 0.5%

Chart 2: Share of total spending

This chart shows total spending by the federal, provincial and municipal governments as a 4-year average from 2014-15 to 2017-18. Federal share 17%, provincial share 57% and municipal share 26%.



Our community housing renewal strategy

Outcomes and key priorities

The province recognizes the challenges facing community housing in Ontario and how important a strong community housing sector is to help all people in Ontario find a home that meets their needs and their budget.

Ontario's Community Housing Renewal Strategy sets out how **we will work in partnership to stabilize and grow the community housing sector**. We will focus on:

- repairing and increasing the supply and mix of well-maintained housing that meets people's needs
- providing opportunity for people to live in housing that meets their needs and supporting them to participate in the economy and their community
- increasing efficiency in the system by removing red-tape, improving coordination and helping providers offer sustainable housing

Building a better community housing system will take time and collaboration. In everything that our government does – whether it's a program, policy or service change – we put the experience of real people first. That's why we're setting a multi-year strategy, starting with these priority actions over the next few months:

- implement flexible new programs that can respond to different needs across Ontario's diverse communities and can leverage federal funding under the National Housing Strategy
- create safer communities
- improve waiting lists and help those most in need
- simplify rent-geared-to-income rules
- create incentives for community housing providers to continue to provide housing and become more sustainable.

These are our first priorities, but it will be important to work with our partners in other areas as well. Over time, we will explore additional steps to:

- transform the waiting list into a more effective access system
- improve tenants' economic self-sufficiency and support tenant transitions out of community housing where appropriate.

The success of our strategy relies on working across ministries, with the Ministry of Children, Community and Social Services and the Ministry of Health and Long-Term Care so that people with housing and support needs like developmental disabilities and mental health and addictions issues have access to the housing that works for them.

Chart 3: Community housing renewal

This chart shows how Community Housing Renewal Strategy will transform a fragmented and inefficient system into one that is more streamlined, sustainable and better able to meet people's needs.		
Protect and expand supply	Provide opportunity to people	Streamline and simplify the system
<ul style="list-style-type: none">• Increase non-profit, co-op and municipal affordable rental supply• Improve housing stock to be in a better state of repair and meets the needs of the people in Ontario• Involve the private sector to generate more opportunities for affordable and mixed-income buildings	<ul style="list-style-type: none">• Better connect people to housing assistance and supports that are responsive to their complex and changing needs• Ensure people live in safe and well-maintained housing• Ensure people have more choice and opportunities to participate in the economy and their community• Make sure people experiencing homelessness obtain and retain housing	<ul style="list-style-type: none">• Improve system and inter-ministerial coordination to better identify and respond to people's needs• Improve system management and provider sustainability to better provide a range of housing options• Increase administrative efficiency• Reduce pressure on other service systems, including emergency services and justice
Outcome: Increased supply and appropriate mix of affordable and adequate housing	Outcome: Improved access to affordable housing and support that meets individual needs to achieve housing stability	Outcome: Ensure value for money with an efficient community housing system with long-term sustainability

Implementing new programs

People in Ontario face similar housing challenges across the province, but different solutions may be needed in different communities. What works in Toronto won't work in Thunder Bay, and what works in Peterborough is not necessarily the right solution for Bruce County. Our plan recognizes the diverse needs of communities and we will empower Service Managers to make the right local choices so that solutions can be tailored to best meet the housing needs in their communities.

Ontario is committed to investing and leveraging federal and municipal funding to support the implementation of this strategy.

Two new programs will be launched in 2019-20:

- **The Canada-Ontario Community Housing Initiative** will provide funding to Service Managers to replace the federal Social Housing Agreement funding that expires each year, beginning April 2019. This funding can be used by Service Managers to repair, regenerate and expand community housing and to protect affordability support for tenants. It can also be used to support community housing providers whose original program arrangements are expiring and help them to become more sustainable. Service Managers will be required to give priority to Indigenous housing providers under the Urban Native Housing program. In addition, funding will be available to support other legacy social housing providers who have received Social Housing Agreement funding through provincial ministries, such as some supportive housing providers.

Investments through the National Housing Strategy combined with incentives for community housing providers could support property redevelopment and regeneration to create more accessible housing choices – providing more choices for people with disabilities and for seniors aging in place.

- **The Ontario Priorities Housing Initiative** will provide flexible funding to all 47 Service Managers and the two Indigenous Program Administrators to address local priorities in the areas of housing supply and affordability, including new affordable rental construction, community housing repair, rental assistance, tenant supports and affordable homeownership.

Under the Ontario Priorities Housing Initiative, housing providers can dedicate a percentage of spending for supports that will keep people housed and prevent homelessness.

The Province will begin negotiations with the Canada Mortgage and Housing Corporation (CMHC) to finalize the program design and amend the bilateral agreement for the **Canada-Ontario Housing Benefit**. This will allow housing benefits to begin flowing to Ontario households beginning April 2020, when federal funding becomes available.

In the meantime, the Province will continue to provide portable housing benefits to Survivors of Domestic Violence and Human Trafficking who are eligible under the Special Priority Policy and who choose to take a portable housing benefit as an alternative to waiting for a rent-geared-to-income unit to become available. Once the Canada-Ontario Housing Benefit becomes available, the Province plans to continue to support these households and newly eligible households through the new program.

National Housing Strategy Action Plan

To access federal funding under the National Housing Strategy, Ontario will publish a three-year action plan as required by the bilateral agreement. The action plan will outline how Ontario will leverage program funding to achieve mutually-agreed upon outcomes and targets and will be made publicly available once it is finalized.

Creating safer communities

We are proposing to amend regulations to give community housing providers the authority to refuse to re-house a tenant based on a previous eviction for a serious criminal offence. This change is in response to concerns raised by service managers and aims to reduce crime and gang-related violence in community housing so that all residents feel safer in their homes.

Further details on the province's proposal are available for [review on the Regulatory Registry](#). While we work to improve community housing, we welcome feedback by July 1, 2019.

Improving waiting lists and helping those most in need

The Auditor General found there are many applicants on social housing waiting lists who have assets of \$500,000 or more, and that some applicants on waiting lists turn down units in buildings they have previously selected.

We are introducing changes to make waitlists shorter by filling vacant units faster and helping people in need access units more quickly. Our proposed changes to waitlist rules make lists fairer and more transparent by requiring individuals on the list to prioritize their choice and accept the first unit they are offered, while allowing Service Managers flexibility to make exceptions in extenuating circumstances. We also plan to propose rules that would require Service Managers to set an appropriate local asset limit for people to be eligible for rent-geared-to-income assistance.

To remove barriers that make it hard for existing tenants to get into the housing that is right for them, our plan includes giving Service Managers and housing providers more flexibility to efficiently manage tenant transfers.

Further details on the province's proposal are available for [review on the Regulatory Registry](#). While we work to improve community housing, we welcome feedback by July 1, 2019.

Simplifying rent-geared-to-income rules

Rent-geared-to-income

Rent-geared-to-income refers to rental units where the tenant pays rent based on their income – typically 30% of gross income less exclusions and deductions. The income of these tenants is verified through income-testing by the housing provider or Service Manager.

The current rules for calculating rent-geared-to-income assistance are outdated and complex, making it difficult for tenants to understand and for Service Managers and housing providers to administer. These rules require tenants to report every time their income changes, creating disincentives for households to work. The rules are so complex that they are applied differently across the province, leading to unequal treatment of tenants.

To make calculating rent faster for housing providers and easier for tenants to predict and understand, we are proposing to change the rent-geared-to-income rules to a simple calculation

based on income tax information, beginning July 1, 2021. At the same time, we want to modernize the rules to exempt the income of all full-time students who are members of a household, removing disincentives for tenants to pursue full-time studies. This will encourage individuals to seek opportunities at work and in school.

Further details on the province's proposal are available for [review on the Regulatory Registry](#). While we work to improve community housing, we welcome feedback by July 1, 2019.

Creating incentives for community housing providers

As agreements come close to an end, there is a risk that some of our valued community housing partners will choose to stop providing affordable and subsidized housing when they are no longer legally obligated to do so. The current rules for community housing are complex and may discourage housing providers from continuing to participate.

Some of the actions outlined in other parts of this Strategy – such as the simplification of Rent-Geared-to-Income rules and the new Canada-Ontario Community Housing Initiative – should encourage some housing providers to continue to provide valuable services to those who need it most.

As it is, our goal is to create a more streamlined approach that will incent non-profit and co-operative housing providers to stay in the system once their original obligations end. We will work with our partners to explore changes to the legislative and regulatory environment for community housing. We will also work with sector partners to explore how our vital community assets can be protected over the long-term and will take measures to protect tenants and their communities during transition to an improved legislative framework.

The next few years will be a time of change as Service Managers and housing providers work with new programs, new legislation and regulations. To encourage housing providers with expiring agreements to continue, we intend to pause, for three years, the practice of removing providers from *the Housing Services Act*. Exceptions can be considered on a case-by-case basis.

In addition, we will work with Service Managers and others to help housing providers improve their capacity to operate in a business-like manner and grow their housing assets where possible. This will build on broader changes to make it easier for all housing developers to build the kind of housing the people of Ontario need.

We want to make it easier for Service Managers and municipalities to meet the housing needs of their communities, while supporting housing providers to explore opportunities for long-term sustainability and new development.

Additional actions

The changes outlined are important priorities as we work towards improving and increasing our supply of community housing, making housing work better for people and reducing red-tape. However, we know that there is more that we need to do, working in partnership with the Service

Managers, housing providers, and others who are on the front lines of delivering services to the people of Ontario.

We will explore how to transform the current waiting list system for rent-geared-to-income assistance into a comprehensive community housing access system that better matches applicants with housing that meets their needs.

Through consultation, sector engagement, and inter-ministerial partnerships with the Ministry of Training Colleges and Universities, and the Ministry of Children, Community and Social Services, the province will also explore opportunities to improve tenants' economic self-sufficiency and support tenant transitions out of community housing.

In the 2017 Value for Money Audit on social and affordable housing, the Auditor General recommended that the ministry “develop and implement a process that provides dedicated supports, such as employment or educational supports, to those social housing tenants who are able to enter the workforce or upgrade their education; and track and report on metrics that assess the effectiveness of this transition process”.

Ongoing work

Next steps

In the coming months, we will continue to listen to the people of Ontario, consider their ideas and work hand-in-hand with our partners to move our strategy forward. In addition to consultations through the regulatory registry on proposed changes to the waiting list, community safety and rent-geared-to-income simplification, we will continue to engage with Service Managers, housing providers and sector organizations on our Community Housing Renewal Strategy to secure, stabilize and grow the community housing sector for Ontarians.