

Overview of Legislative Changes for Community Housing: Bill 184, Protecting Tenants and Strengthening Community Housing Act

OVERVIEW

On July 22, 2020, the *Protecting Tenants and Strengthening Community Housing Act, 2020* received Royal Assent, which amends the *Housing Services Act, 2011* (the Act). These amendments are intended to:

- Provide a streamlined legislative framework for community housing that will incent non-profit and co-operative housing providers to stay in the housing system once their original agreements and mortgages end.
- Make it easier for Service Managers and housing providers to meet the housing needs of their communities, while enabling opportunities for long-term sustainability and new community housing development.

The legislative amendments are broad and enabling. The government is committed to working with sector partners to develop proposed regulations setting out the details on how the new legislative provisions would work on the ground in communities. The new provisions in the legislation are planned to come into force incrementally over time, as regulatory details are developed. This will help give communities and housing providers the time they need to make important business decisions and to plan for implementation.

Below is an overview of changes to the Act and what this means for future work with sector partners to develop regulations.

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1. Streamlined Legislative Framework to Grow Community Housing

Problem

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.

The current rules for community housing are complex and may discourage housing providers from continuing to participate. 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.

Solution

Changes that would allow community housing providers to move into a new streamlined part of the Act once they have reached the end of their original obligations. In addition, community housing providers and projects that are not currently in the Act could enter the system under this new framework.

Under the new provisions, community housing providers could voluntarily enter into service agreements with Service Managers related to the administration of housing projects. These new legislative provisions provide the framework for the government to work with Service Managers, housing providers and sector partners on baseline parameters and minimum standards for service agreements to be detailed in regulation.

The 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 and allow new providers to enter the system. 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 new opportunities for long-term sustainability and development.

New part VII.1 of the Act

Existing and new community housing providers would be able to enter the new legislative framework if they:

- 1) Enter into service agreements with Service Managers that comply with requirements to be set out in regulation
 - 2) Fulfill their original obligations under original operating agreements and mortgages, if relevant
 - 3) Provide notice to the Minister
- Rules would be set out in regulation for how a service agreement could be amended, replaced or terminated
 - Specific baseline requirements for service agreements could be set out in regulation for different categories of housing providers (e.g. to support housing providers with varying levels of capacity)
 - The Minister would have the authority to issue directives on the administration of projects that are in the new framework.
 - The Minister and Service Managers would be required to maintain publicly available lists of the housing projects in their service areas that are in the new framework

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2. Protecting Community Housing

Problem

While the new legislative framework is designed to enable and incent housing providers to remain in the community housing system once their original obligations end, some housing providers may so choose to exit the system. There needs to be a plan in place for those instances when a housing provider chooses to no longer provide community housing.

Solution

Legislative changes that provide the ability to define a process in regulation for housing projects to exit the system at the end of their operating agreements, should they wish to leave. These changes provide a foundation for the province to work with Service Managers, housing providers and sector partners to develop rules and a process for housing projects to exit the system. These details would be set out in regulation.

Future regulation would set clear conditions and requirements for housing providers to leave the system, particularly in the areas of tenant protections and protection of public investment.

New sections 68.1 and 101.7 of the Act

Housing providers wishing to leave the system could only do so if they:

- 1) Enter into exit agreements with Service Managers that meet baseline rules and requirements to be set out in regulation. This could include rules for exit agreements to address the protection of tenants and public investment in community housing.
 - 2) Provide joint notice with Service Managers to the Minister
- The Minister would be required to maintain publicly available lists of housing projects whose original agreements/ mortgages have ended and that have exited the system but have not yet been removed from the regulation

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3. Modernizing Accountability Approaches

Problem

Service Managers are required to provide a certain number of households with rent-geared-to-income assistance in their communities. These requirements are referred to as “service level standards”.

These service levels have not been updated for over twenty years and don’t reflect changes in population or the changing needs of communities over time. Because service level standards were only designed to measure rent-geared-to-income assistance, they don’t recognize or incent Service Managers to provide different types of housing assistance matched to household need.

Solution

Legislative changes that provide the ability to broaden the types of housing assistance that could be counted towards a Service Manager’s required service levels. The ministry plans to work in partnership with Service Managers and sector partners to propose a modern, outcomes-based approach to accountability and service level standards in regulation. This would consider how different types of housing assistance could be counted towards new service level requirements.

New Part II.I, section 10.1 of the Act

- Service Managers would be required to provide a prescribed level of housing assistance in their service areas through delivering:
 - Any form of assistance that is described in the regulations; and
 - Any program that has been approved by the Minister

4. Improving Access Systems

Problem

The current waiting list system was designed to provide access to one type of housing assistance – rent-geared-to-income assistance – and it is not well designed to meet the varied housing needs of households in a timely way. People looking for housing sometimes have to go to different access points, lists, and processes to find the housing and supports they need.

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Solution

Legislative changes that would require Service Managers to have an access system in its service area for housing assistance. This could include an access system beyond just rent-gear-to-income assistance and could include other types of housing assistance set out in regulation.

The province plans to work with Service Managers and sector partners on proposing a regulation on the housing assistance to be included in the access system and possible requirements for the access system.

Over time, the province would also work with Service Managers to encourage use of the access system for the range of housing assistance delivered locally – for example, locally funded rent supplements.

New Part II.I, section 10.2 of the Act

- Service Managers would be required to administer an access system for housing assistance in their service areas, including:
 - Rent-gear-to-income assistance under Part V of the Act;
 - Any form of assistance that is described in the regulations; and
 - Any program that is approved by the Minister
- Changes would also provide the regulation-making authority to create baseline rules for eligibility and priority for prescribed types of housing assistance

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5. More Consistent Local Eligibility Rules

Problem

Currently, Service Managers can make local eligibility rules for rent-geared-to-income assistance in certain areas – including setting household income limits and asset limits. Some Service Managers have income and asset limit rules while others do not, leading to inconsistencies across communities in how eligibility for RGI assistance is determined. The Auditor General found that this can lead to people being on waiting lists who may be able to afford housing in the private market, creating longer waiting times for those in genuine need.

Solution

A new provision that would require Service Managers to make local eligibility rules in areas that would be detailed in regulation.

Requiring Service Managers to have local eligibility rules for rent-geared-to-income assistance would enable greater consistency across the province in how housing need is identified and prioritized and would help ensure RGI assistance goes to those who need it most. The province plans to work with Service Managers, housing providers and sector partners to propose local eligibility rules on income and asset limits in regulation.

Conclusion

The changes outlined in this document will depend on the approval of future regulations to be developed over the coming years. The ministry is committed to continuing to work with its municipal partners and sector stakeholders in all areas of regulation development as we enter this period of transformational change.

New Subsection 42 (2) of the Act

- Service Managers would be required to have local eligibility rules for rent-geared-to-income assistance in prescribed areas
 - This provides the authority to set out local eligibility rules that would be required in regulation.