

## **Solution Direction 1**

# **An approach to simplified administration that focuses on housing providers and service managers' core missions and supports capacity-building**

This research paper is part of the Ontario Non-Profit Housing Association (ONPHA) Solutions Lab on “Community Housing for the Future: Taking Collective Action Toward Resiliency.” This paper is for use by Lab participants and attendees, as part of their pre-read materials.

This document covers an introduction to the Solution Direction (one of five), an overview of the policy or environmental context within which this intervention lives, and a summary of the implications Lab participants should be aware of when designing for this Solution Direction.

## **Solution Direction Overview**

Solution Direction 1 involves simplifying the community housing administration process by creating a new set of guiding principles and associated reporting requirements that are more outcomes-based and reflective of housing providers and service managers' core missions to provide affordable housing options to the people of Ontario.

These new criteria would help infuse flexibility, trust, and transparency, by reorienting administration and oversight efforts towards social impact outcomes.

### *“What if...”*

This Solutions Lab aims to ignite new conversations among housing providers, service managers, and other stakeholders in the housing system in Ontario. When reviewing this paper and participating in the next workshop, consider envisioning the possibilities around the following potential scenarios:

- What if we all measured our performance against the same metric for success, defined by our **collective vision for impact** (e.g., our desire to ensure every Ontarian has a home they can afford and that meets their needs)?
- What if the simplified administration enabled housing providers and service managers to have the freedom and flexibility to **grow and innovate**?
- What if the simplified administration enabled service managers to be **champions** for affordable housing?
- What if we gave smaller providers access to **capacity-building** they need to be resilient over the long-term?
- What if service manager areas had the same **standards** and interpretation of the regulation across service manager areas?

### **Why are housing providers and service managers asking for a solution like this?**

The rationale for this solution is to move towards more evidence-based decision-making that can give providers the opportunity to take responsibility by providing clear, yet adaptable metrics for success.

This approach would help infuse flexibility, trust, and transparency by moving towards a more outcomes-based approach to the way providers work, instead of using a one-size-fits-all system. This approach could also help the system operate in a more human-centered way by focusing on measuring outcomes that we want to achieve for people and strengthening relationships between providers and service managers.

**To help us design the components of this solution, we will consider:**

- Ways to ease up reporting as providers demonstrate having good systems in place
- How outcomes and metrics apply to different housing providers (big, small, urban, rural, supportive, Indigenous) so they have the flexibility make these indicators implementable in locally and culturally-appropriate ways
- What information service managers need to carry out their legislative responsibilities, as well as measuring housing and homelessness plan outcomes.
- The best channel to set and communicate a shared set of key performance indicators across the community housing system
- Ways to introduce a process for service managers to support housing providers by providing constructive feedback on reporting results

## The Surrounding Context

### *Why is simplified administration Needed?*

Ontario's community housing system is a maze of complex rules and red tape that has developed over decades. For example, despite efforts to simplify rules for rent-geared-to-income calculations, administration continues to be complicated and intrusive for tenants. The approach discourages tenants from pursuing education and earning more income. Furthermore, it is hard for housing providers to administer fairly and correctly for all tenants.

Housing providers and service managers have maintained for years that they spend too much time on reporting and administration and not enough time directly supporting tenants. Old, inefficient rules make it difficult for housing providers to manage their assets, build new housing and offer innovative and responsive services for the people who need them.

### **Ontario Auditor General Calls for Improvements**

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,

The Ontario government's Community Housing Renewal 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.

### **Community Housing Renewal Strategy**

The goal of the Community Housing Renewal Strategy is to create a better operating environment for housing providers and give service managers more flexibility to meet the unique needs of their local community, and to make it more sustainable. Further, the Strategy has been developed with the intention of transforming a fragmented and inefficient system into one that is more streamlined, sustainable, and ready to help people in the greatest need.

The Strategy outlines how the provincial government will work with partners to stabilize and grow the community housing sector. Five steps have been identified to make life easier for tenants and housing providers:

1. Removing the rules that punish tenants for working more hours or going back to college or university
2. Protecting tenants who receive child support payments
3. Filling vacant community housing units faster
4. Giving housing providers tools to help them keep their buildings safe
5. Replacing a complicated rent-geared-to-income formula with a simple calculation based on income tax information

### *The Opportunity: Changes to Housing Services Act*

The Housing Services Act, 2011 (HSA) is the most significant piece of legislation governing the community housing sector. Among other things, the Protecting Tenants and Strengthening Community Housing Act, 2020, amends the HSA, with details related to the changes to be determined through regulation. The changes, outlined in Schedule 2 of the Act, relate to rent-geared-to-income (RGI) administration, service levels, access and expiration of operating agreements and mortgages.

This Solution Direction will focus on the following changes. Service agreements and exit agreements form part of Solution Direction 2's focus.

1. **Income and Asset Limits:** The eligibility requirements for access to RGI assistance may be revisited through the proposed legislation.
2. **Service Level Standards:** Service standards that have not been updated in more than 20 years limit innovation. The province wants to work with service managers to develop a modern, outcomes-based approach to service level standards. Proposed regulations may revisit the number of RGI units that service managers are required to provide, including how they are provided (e.g., through rent supplements), and the number of accessible units to be provided.
3. **Waiting List:** The waiting list system for social housing doesn't always succeed in matching those in greatest need with the housing that is best suited to those needs. Many applicants have to work through multiple lists, go to different places and navigate complex application processes to find the housing they need. Legislation will be aimed at improving the access system to help make life easier for people waiting for community housing.

Improvements could also help service managers more effectively maintain the waiting list for social housing by identifying ways to coordinate with other housing access systems. For example, regulations proposed by the province may require all service managers to have choice-based processes and may revisit current priority rules.

## Implications

This Solution Direction can inform the Ontario government's Community Housing Renewal Strategy's goal to update old, inefficient rules that make it hard for housing providers to manage their existing buildings and build new ones.

The Protecting Tenants and Strengthening Community Housing Act, 2020 and its forthcoming regulations have the potential to significantly change how the community housing system operates, including:

- the total number of RGI units to be provided by service managers;
- eligibility requirements for RGI;
- methods of providing assistance, such as rent supplements;
- number of accessible units to be provided;
- the current priority rules;
- how waiting lists are to be managed (e.g., may require all service managers to have choice-based processes); and
- restrictions on the service manager's ability to make local eligibility rules.

Although the draft regulations have not yet been released, this Solution Direction could help inform how the administration process related to these changes could create a new set of more evidence-based decision-making. Lab participants described wanting to create a system of administration that gives providers the opportunity to take responsibility by providing clear, yet adaptable metrics for success and help the system operate in a more human-centered way by focusing on measuring outcomes that we want to achieve for people.

## Risks and Opportunities

The following are potential areas of focus for Solution Directions based on identified risks and opportunities:

### **Income and Asset Limits:**

- Consider expanding eligibility for RGI assistance to align with eligibility criteria for the Canada-Ontario Housing Benefit (with consideration for broader eligibility to meet growing needs due to COVID-19).

### **Service Level Standards**

- Given the increasing need for affordable housing in every community, there is a critical need to maintain current service levels and create opportunities for expansion.

### **Waiting List**

- Ensure priority of assistance is administered equitably to meet the diverse housing needs across the province and ensure the access system is comprehensive, standardized, and accessible to meet the needs and gaps across the housing system.

## *What to keep in mind when developing this solution?*

The province has identified community housing principles as part of its Community Housing Renewal Strategy that should be kept in mind:

1. Matching people with housing assistance that meets their needs
2. Ensuring supports and services are flexible and rules reflect local realities
3. Building effective relationships between all levels of government, housing providers, tenants, and Indigenous and community partners
4. Promoting innovation and long-term sustainability

## *Potential Solution Ideas*

- Build on the six key themes developed as part of the Community Housing for the Future Solutions Lab.
- Look to the Ministry of Health for inspiration on their oversight process and reporting (e.g., for supportive housing)
- Look to other housing groups already working on this (e.g., Co-Operative Housing Federation of Canada)

## **Resources**

Ontario Non-Profit Housing Association. Bill 184: Summary of ONPHA's legal analysis (June 2020). <http://qc.onpha.on.ca/2020/06/bill-184-summary-of-onphas-legal-analysis/>

Robins Appleby. Legal Analysis of Bill 184, Protecting Tenants and Strengthening Community Housing Act (May 7, 2020). [Legal analysis -Bill 184 - Protecting Tenants and Strengthening Community Housing Act \(onpha.on.ca\)](http://qc.onpha.on.ca/legal-analysis-bill-184-protecting-tenants-and-strengthening-community-housing-act)