



ONTARIO NON-PROFIT  
HOUSING ASSOCIATION

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July 24, 2017

Dear Mr. Joshua McCann,

[RE: The proposed municipal asset management planning regulation](#)

Thank you for the opportunity to provide comments on the proposed municipal asset management planning regulation under the *Infrastructure for Jobs and Prosperity Act*.

The Ontario Non-Profit Housing Association (ONPHA) is a member-funded and member-directed association that represents non-profit landlords and local housing corporations throughout the province. Our more than 700 member organizations manage units in 220 communities, and they provide housing for people including seniors, low-income families with children, Indigenous people, the working poor, victims of violence and abuse, people living with developmental disabilities, mental illness, HIV/AIDS or addictions, and the formerly homeless/hard to house.

Approximately half of the 260,000 social housing units in Ontario are municipally owned. The structure and administration of this stock varies widely across the province and, in order to make sense of this, the historical and current contexts must be considered. This submission begins by providing that context and then presents specific recommendations related to the proposed municipal asset management planning regulation.

**Historical and current contexts**

In the late 1990s, the Ontario government downloaded financial and administrative responsibility for social housing to 47 separate “Service Managers” – the Consolidated Municipal Service Managers and



District Social Services Administration Boards (DSSABs).<sup>1</sup> Within a few years, the province continued this process of devolution by transferring the Ontario Housing Corporation's entire public housing stock, approximately 134,000 units, to these entities. The Service Managers were required to create Local Housing Corporations (LHCs) to own and operate these transferred assets. There was not a consistent approach to this across the province and several diverse governance models, management structures and operational functions have evolved and emerged among these 47 LHCs.

Some LHCs are "internal" to their Service Manager meaning that they operate as departments of the county, region or city that has jurisdiction over them. Other LHCs are "independent" meaning that they operate at arm's length from the Service Manager. Some independent LHCs have council-approved shareholder directions in place, while others operate via direct council decisions. They all receive municipal funding on an annual basis, as well as funding from other levels of government.

LHCs owned by DSSABs can operate under either internal or independent structures, but they are in a unique situation. DSSABs are not municipal governments, and therefore they do not have taxation powers to fund their operations. Instead, funding for the services provided by DSSABs (including housing) is derived through formula-based financial contributions from the lower-tier municipalities that collectively govern them.

Asset management is a critical concern for all LHCs, no matter what structure they operate under. Most LHC housing stock was built prior to the 1970's and much of it has reached, or is fast approaching, the end of its useful lifetime. These buildings represent decades of public investment, and they have provided thousands of low- to mid-income Ontarians with safe and affordable housing. It is vitally important that these assets are preserved and maintained for future generations. Yet, through discussion with our members, we know that the extent to which social housing infrastructure is currently included in municipal asset management plans varies greatly across the province.

ONPHA has long believed that social housing should be recognized as infrastructure, and embraced by any infrastructure plans being developed. We were encouraged when social housing was defined as infrastructure within the *Infrastructure for Jobs and Prosperity Act*, and we strongly support the intent of

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<sup>1</sup> A Service Manager is a level of government in Ontario responsible for carrying out the funding and responsibilities of the provincial *Housing Services Act*. This could be a regional government, a county or a separated city depending on the local services. The provincial government created District Social Services Administration Boards (DSSABs) in northern regions of Ontario where there was no existing municipal government with the legal jurisdiction to act as a Service Manager. DSSABs have the same funding and administrative responsibilities as Service Managers.



the proposed regulation under the Act which would make it mandatory for social housing infrastructure to be included in municipal asset management planning.

We believe that this is an important component of protecting the viability of social housing assets, and we are pleased that the regulation has been proposed to improve and bring consistency to municipal asset management planning practices across the province. However, we do have some concerns. We believe that, in the development of this regulation, the Ministry of Infrastructure has not accounted for the different levels of capacity and resources that municipalities have, or for the variability that exists among Ontario's social housing infrastructure. To mitigate these concerns, we encourage the province to consider the following recommendations as the regulation is finalized and implemented

### ONPHA's recommendations for the proposed regulation

1. *Support municipalities in their ability to incorporate social housing infrastructure within their municipal asset management plans*

In their comments on the proposed regulation, the Association of Municipalities of Ontario (AMO) raised significant concerns about the ability of municipalities to meet the extensive criteria within proposed timelines and without funding to address resource and capacity shortfalls. ONPHA echoes these concerns, and is particularly concerned about what this could mean for social housing.

Through discussion with our members we have observed that, while municipally owned social housing infrastructure is usually incorporated into the municipal plans of those areas operating internal LHCs, this is not regularly the case in areas that have independent LHCs or that operate in a DSSAB structure. We are concerned that a number of Ontario municipalities may not currently be including social housing assets within their plans, and we are worried that they will not have the capacity to do so effectively with their existing resources. We believe that this, coupled with the extensive criteria, limited resources and short timeframes to meet new infrastructure requirements in all areas, may lead to situations where certain types of infrastructure are favoured over others, and where social housing assets are at risk of being overlooked by those making funding decisions.

The purpose of social housing makes it a vital part of municipal infrastructure. The province must take measures to ensure that municipalities are supported in their ability to communicate the value and importance of maintaining these assets to funding decision makers, as well as to their wider tax base. We are pleased that the province has recognized the need for asset management planning support, financial and otherwise, for municipalities within their proposed regulation and through the expansion of the



Ontario Community Infrastructure Fund. Given that social housing infrastructure has not been included in some municipal asset management plans to this point, we believe that a portion of these funds should be dedicated to supporting municipalities in their ability to do so. In the past Service Managers responsible for 4,000 or fewer social housing units were eligible for funding under the Municipal Infrastructure Investment Initiative – Social Housing Program which supported them in asset management planning. We encourage the province to introduce a similar program that is expanded to include all Service Managers.

## 2. Ensure provincial policy alignment

The proposed regulation stresses the need for provincial policy alignment. We agree with the importance of this, and believe that it should align closely with Ontario's Long-Term Affordable Housing Strategy. We urge the Ministry of Infrastructure to engage with the Ministry of Housing to determine where opportunities exist for collaboration between infrastructure and social housing initiatives. For example, we believe there is room for collaboration and alignment in the development of the Housing and Homelessness Plans that are required of Service Managers under the *Housing Services Act*.

## 3. Consider the unique situation of social housing infrastructure owned by DSSABs

Finally, there is an added layer of complexity for LHCs owned and operated by DSSABs that must be acknowledged and addressed. Since DSSABs are not municipal governments, the proposed regulation does not seem to apply to them despite the fact that they are responsible for infrastructure that would be included if it were located in any other part of the province. While LHCs owned by DSSABs have their own asset management plans, there are no obvious or required linkages to the asset management plans of the municipalities that fund them. We believe that this presents a problem for the long-term sustainability of these social housing assets, and we encourage the province to consider how to include this infrastructure within municipal asset management planning frameworks.

## Conclusion

Overall, ONPHA believes the proposed regulation will have positive impacts on municipal asset management planning across the province, and that the ongoing inclusion of social housing infrastructure within these plans is an important aspect of preserving these valuable assets. However, we also believe that the regulation should be amended to account for different levels of capacity, and the variability of social housing infrastructure across the province.



Thank you again for the opportunity to comment on this proposed regulation, and we would be happy to talk to you further in person.

Sincerely,

Sylvia Patterson  
Interim Executive Director

C.c. Janet Hope, Assistant Deputy Minister (Housing), Ministry of Housing