



ONTARIO NON-PROFIT
HOUSING ASSOCIATION

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Subject: ONPHA's Response to Ontario's Proposed Amendments related to Required Local Eligibility Rules for Income and Asset Limits

Dear Neshalia Mohindra,

Thank you for the opportunity to provide input toward proposed amendments to O. Reg. 367/11 under the *Housing Services Act, 2011* (HSA) related to required local eligibility rules for income and asset limits for rent-geared-to-income (RGI) assistance.

As you know, the Ontario Non-Profit Housing Association (ONPHA), founded over 30 years ago, is a member funded and directed association that represents nearly 700 non-profit landlords and local housing corporations throughout the province. The community housing sector provides safe, affordable, and stable housing for half a million low- and moderate-income Ontarians, with built assets close to \$30 billion.

ONPHA and our members strongly support the intent of the government's Community Housing Renewal Strategy (CHRS), which reflects our shared goals to stabilize and grow Ontario's community housing sector to continue providing safe, affordable housing options that meet diverse community needs. We greatly appreciate the opportunity to share perspectives and priorities from community housing providers to inform the development of regulations that will help build a sustainable, efficient community housing system.

The current regulatory amendments have been proposed with the intention of, among other things, creating greater consistency across the province in the local administration of RGI housing eligibility rules and identifying and prioritizing housing need to ensure RGI assistance goes to those who need it most.

ONPHA supports these policy objectives; however, we have some concerns around potential adverse impacts of the proposed amendments, including those in greatest need inadvertently being excluded from access to RGI assistance, in particular low-income seniors and Special Priority Policy (SPP) applicants. We also wish to stress that the application of income and asset limits will likely apply to a very small minority of waitlist applicants, while requiring a significant amount of additional administration and staff capacity.



Further, without accompanying and increased investment in the growth and renewal of community housing, these proposed changes will not have a substantial impact on decreasing waiting times or increasing access to affordable housing options, especially in light of the compounding, disproportionate impacts of the affordable housing crisis and the COVID-19 pandemic on Indigenous, Black, and other racialized communities, 2SLGBTQQIA+ people, low/limited-income people, people experiencing homelessness, people with disabilities, women, and seniors.

To ensure equitable outcomes and mitigate unintended consequences of the proposed amendments, we strongly recommend that forthcoming regulatory changes:

- 1. Apply local eligibility rules for income and asset limits exclusively to waitlist applicants**
- 2. Exclude all registered investments from asset limits**
- 3. Provide flexibility across communities and households**
- 4. Support Special Priority Applicants (SPP) and other families undergoing separation**
- 5. Respect principles of simplification, consistency, and transparency**

Details related to our recommendations are presented below, reflecting feedback we have received from our members through direct communications, a time-limited working group, and previous survey activities.

- 1. Apply local eligibility rules for income and asset limits exclusively to waitlist applicants**

In our past survey, the majority of ONPHA members indicated that they would be in support of mandatory local asset limits for waitlist applicants. Through recent consultation activities, we also heard directly from members about the importance of excluding existing tenants from such rules. Housing providers stressed that applying mandatory asset and income limits for existing tenants would create additional, redundant administrative burdens for staff, running counter to the goal of simplification outlined in the CHRS (as applied through the new Simplified RGI calculation rules). It could also potentially impose undue financial hardships on community housing tenants.

Income limits for existing tenants are already effectively maintained through annual RGI calculation reviews and capped at market rental rates for 24 months. Moreover, applying asset limits to existing tenants may lead to perverse effects, including the rapid divestment of assets with significant financial consequences and/or the loss of eligibility for RGI assistance with no guarantee of regaining eligibility or access to affordable housing options once the limit is met. These consequences would likely disproportionately impact already marginalized



tenants with limited access to supports and financial advice, which could further increase their level of precarity.

As identified above, in the absence of significant, sustainable investment in community housing renewal and growth, affordable housing waitlists will continue to grow, regardless of the implementation of income and asset limits.

2. Exclude all registered investments from asset limits

Throughout ONPHA's member engagement activities on this topic, housing providers have continued to share concerns about the potential for asset limits to be counter-productive and overly-punitive for low-income households. In particular, low-income seniors would be significantly disadvantaged by an asset limit due to registered investment savings. It is critical to recognize that these households may be relying on these assets or savings to sustain their housing, health, and well-being over the long-term (e.g., to access additional care services to support chronic health conditions, aging, end-of-life, planning, etc.) and/or to respond to financial emergencies (e.g., access to medical equipment).

In line with the vision in Ontario's Poverty Reduction Strategy, we believe that any policy changes must enable individuals to achieve greater independence and stability. To that end, we strongly recommend that the proposed changes exclude all registered investments from mandatory asset limits, including Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs), Locked-in Retirement Accounts (LIRAs), and Life Income Funds (LIFs). This is critical to ensuring that households that have strategically saved for retirement are not penalized for not having access to employer driven pension plans. Likewise, Registered Education Savings Plans (RESPs) and Registered Disability Savings Plans (RDSPs), which are currently excluded from asset limits under O. Reg. 367/11, should continue to be excluded from forthcoming limits, as well.

3. Provide flexibility across communities and households

To ensure equitable outcomes, it is critical that forthcoming changes provide flexibility across communities and households in recognition of the vast differences in cost of living across the province and between household sizes and compositions.

ONPHA strongly recommends that the Province does not set provincially-determined asset and income limits, as appropriate limits will likely differ considerably between communities. Instead, we recommend that Service Managers retain the ability to determine appropriate local asset and income limits for their service areas, including localized processes to guide the determination of those limits. We believe parameters for income limits should reflect average market rents (AMR) across the province, with flexibility for Service Managers to adapt limits if AMR does not reflect local conditions.



In addition, forthcoming regulations should be designed to avoid impacts on existing asset and income limit policies (i.e., through grandfather clauses and/or transitional processes for existing policies), and Service Managers should retain the ability to exempt additional assets under local rules beyond what is currently set out in (or may be added to) O. Reg. 367/11. Similarly, we recommend that any policy be designed to take differing factors into account, including household size and composition, for both asset and income limits.

4. Support Special Priority Applicants (SPP) and other families undergoing separation

Beyond the flexibility required to support diverse communities and households across the province, asset limits must also address the implications of RGI ineligibility for households with equity in real property, which may take time to access (as recognized in the 180-day residential property divestment period for RGI eligibility in O. Reg. 367/11).

Recognizing the potential for perverse impacts of asset limits on SPP applicants and other families undergoing separation (e.g., following the disposition of a matrimonial home), it is critical for flexibility in the application of asset and income limits so as not to disadvantage families undergoing separation. ONPHA strongly recommends that forthcoming regulatory changes provide flexibility for SPP applicants to support efforts to break cycles of abuse through access to housing.

5. Respect principles of simplification, consistency, and transparency

While it is critical to provide flexibility to meet local needs and ensure equitable outcomes, it is equally important to strike a balance that respects the principles of simplification, consistency, and transparency outlined in the CHRS. This in turn will help ensure that those in most need receive the necessary services and supports by reducing administration and wait times, and ultimately increasing access to housing.

As indicated above, housing providers continue to share concerns about increased levels of administrative work and staff capacity that would be required to administer new rules. Community housing staff already face significant administrative burdens, especially those operating in multiple Service Manager areas who are required to administer different local rules and are bound by different reporting requirements. As such, forthcoming changes must guard against additional, unnecessary administration, with consideration for housing providers operating in multiple Service Manager areas taking flexible approaches to income and asset limits. In line with the stated goals of Ontario's Social Assistance Recovery and Renewal Plan, community housing staff must similarly be empowered to be person-centred, with a focus on people, not paperwork.

ONPHA strongly recommends that forthcoming changes ensure that the regulatory environment is simple, consistent, and transparent to provide clear direction for



implementation (including proposed limits, what assets would be included, etc.) and avoid cumbersome frameworks.

Thank you for taking the time to review our submission. ONPHA and our members greatly appreciate the opportunity to share input from the housing provider perspective, and look forward to ongoing engagement with the government to develop a sustainable and efficient community housing system that better meets the needs of people.

Please do not hesitate to reach out if you would like more information about any of our concerns or recommendations.

Sincerely,

Marlene Coffey
Chief Executive Officer