



OANHSS

**Submission on Ontario's Long-Term
Affordable Housing Strategy Consultation
December 2009**

Ontario Association of Non-Profit Homes and Services for Seniors

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Introduction

The Ontario Association of Non-Profit Homes and Services for Seniors (OANHSS) welcomes this initiative by the Ministry of Municipal Affairs and Housing (MMAH) to seek input on the development of a long-term affordable housing strategy.

OANHSS is a provincial, membership-based association that has represented not-for-profit providers of care, services and housing for seniors for over 90 years. Housing members include municipal and private not-for-profits, supportive housing providers, non-profit retirement homes and life lease housing. The balance of our membership includes municipal and charitable homes for the aged, non-profit nursing homes and community service agencies.

Association members are respected and recognized for their dedication and commitment to quality care and services and for the active and integral role they play in the communities that they serve.

OANHSS members support the government's efforts to increase access to affordable housing, and in particular, this review of the effectiveness of housing systems and programs currently in place. Our experience and expertise is in the area of seniors' housing and it is this perspective that is reflected in our submission. Our interest is in ensuring that there is a range of appropriate housing options to address the diverse needs of Ontario's seniors.

General Comments

Our submission is structured based on the consultation questionnaire; however, there are several issues of importance to OANHSS members that we wanted to draw to the Ministry's attention.

Supportive Housing

OANHSS has long advocated that any provincial programs that are designed to encourage the development of seniors' housing must incorporate the capacity for the provision of support services that will enable residents to live as independently as possible for as long as possible in their own communities.

This position is in keeping with the province's Aging at Home Strategy, launched in 2007 and aimed at providing seniors with appropriate support services to avoid the unnecessary loss of independence due to premature admission to higher care long-term care homes or hospitals. Supportive housing reduces demands on the health care system by bridging the gap between fully independent living and long term care.

If these services are to be funded by the traditional support ministry, Health and Long-Term Care, it is essential that the MOHLTC be directly involved in the planning and implementation of seniors' affordable housing programs to ensure that the timing and delivery of funding for services is coordinated with capital funding for the housing.

Sustainable Funding

The government's intention, as articulated in the consultation document, is to provide leadership and direction through the development of a provincial strategy that ensures stable and secure housing for Ontarians.

This is an ambitious but important initiative, and one that cannot be undermined by programs that respond only to immediate needs and realities and do not have as their foundation, ongoing and sustainable funding and support.

"Use it or lose" program approaches that are based on the sporadic availability of limited funds do not constitute a "strategy" – they inhibit participation by smaller not-for-profits and do not enable housing providers and communities to plan in an orderly and effective way for their future needs. Funding allocations for new housing projects should be based on need and the strength of the proposed development rather than the ability of the proponent to meet short timeframes.

An effective long-term affordable housing strategy must be sustainable and flexible, and include predictable funding, provided year after year, that responds to local needs and priorities.

Consultation Questions

1. What specific roles should each of the housing partners play in the delivery of affordable housing?

- Every level of government is responsible to ensure a well functioning housing system.
- The federal, provincial and municipal governments must work cooperatively to ensure that the resources and other needed measures (e.g. planning tools, tax measures, reduced fees and charges, etc.) are in place.
- At the same time, the failure of the different orders of government to agree should not be used as an excuse for inaction, each government must commit to act, unilaterally if necessary.

Funding

- The federal government needs to make an ongoing multi-year funding commitment.
- The provincial government needs to make an ongoing multi-year funding commitment at least equal to that of the federal government and, in the absence of federal funding, needs to make a unilateral funding commitment.
- While it is appropriate for housing programs to be delivered at the municipal level, major funding for housing should come from the income tax base not from property taxes.
- Municipal governments should contribute to the cost of housing in those areas where they have the means to do so (e.g. waiver or reduction of property taxes, development fees and charges, building permit fees).
- Government lands should be contributed for the development of permanently affordable non-profit housing. Leadership at the top at all government levels is needed to enforce a “housing first” policy for all government lands.

Financing

- Where mortgage financing is required, Infrastructure Ontario (IO) should provide low interest loans to any housing provider that will commit to keeping rents affordable for the duration of the loan period. For projects participating in the Affordable Housing Program this will enable greater affordability and more streamlined access to capital financing. If possible, this should be done without requiring CMHC mortgage insurance, which can create additional complexity.

Program Delivery

- Municipal Service Managers should be given the flexibility to deliver programs to meet local needs and capacities. Because of their understanding of the local housing situation Service Managers are able to work with providers and other stakeholders to tailor solutions to meet local needs.
- Assessment of need and planning for program delivery should begin at the local level, using a community plan approach similar to that used by the federal government for funding under the Homelessness Partnering Initiative (HPI).
- Local communities should identify needs and priorities in a community plan as the basis for allocation of federal and provincial resources and the contribution of municipal and community resources.
- With their close connection to the community, non-profit, community-based housing providers are ideally suited to develop and operate permanently affordable housing.

Support Services

- As people age, many of them will require some level and type of support in order to live independently and with dignity.
- Non-profit community based housing dedicated to providing a supportive community environment for seniors to age in place is an important contributor to the range of options available for seniors.
- Where funding is needed for services to support seniors to live independently in the community, it is essential that the timing and delivery of funding for those services be coordinated with capital funding for the housing.

- Decisions to provide housing funding and support funding must be linked to ensure the viability of the supportive housing.

Role of the Private Sector

- Private, for-profit developers are key players in a long term affordable housing strategy. Most new housing in Ontario is developed by the for profit sector.
- A long term affordable housing strategy can ensure that a significant proportion of the new housing developed is affordable, by introducing incentives and mechanisms to encourage a greater range of affordability and through the use of targeted rent supplements.
- Mechanisms to encourage greater affordability can include increased density, reduced lot and building size and more modest development standards.
- Governments can encourage such intrinsic affordability through reduced or waived development fees and charges and through inclusionary zoning.

Land Use Planning

- The provincial government can provide support to affordable housing through a provincial policy statement under the Planning Act; mandatory inclusionary zoning could require that a proportion of all new housing developed in a community be affordable to people with low to moderate incomes.

- 2. What changes are needed to our housing programs to better use resources and improve access to affordable housing? Changes could include modifications to the Affordable Housing Program or the simplification of housing and homelessness programs.**

Program Delivery

- Housing programs involving government assistance should be designed to encourage and facilitate participation by community-based, non-profit housing providers.
- Programs should be simple and easily manageable by smaller community based organizations. Governments must be facilitative and supportive.

- Housing programs should be delivered with a reasonable timeframe to allow for orderly planning and efficient delivery. Current “use it or lose it” program approaches – with their over-riding emphasis on speed of delivery, sometimes at the expense of quality – are wasteful and inhibit participation by community based organizations.
- Funding allocations for new project development should be based on need and the effectiveness of the proposed development rather than the ability to meet short timeframes.

Affordability

- Affordable housing program resources should be sufficient to achieve true affordability – rents in housing developed under the Affordable Housing Program should be based on the income of residents, not tied to the market.
- Housing developed under the Affordable Housing Program should remain truly affordable for the long term; the minimum affordability period should be increased beyond the current 20 years.

Adequacy of Funding

- Funding should be provided in a flexible way which recognizes the different costs associated with different unit sizes, locations and populations and other factors.
- Funding should be sufficient to allow housing to be developed without onerous fundraising requirements.
- Funding should address all three components of need: housing supply, housing affordability and supports to live independently.

Supportive Housing

- Support service funding can help people to continue to live independently in the community and avoid premature institutionalization.
- To achieve these objectives, funding needs to address both individual care needs and services required to provide a supportive community environment and avoid social isolation, including crisis response, tenant monitoring and social and recreational programs.

- Funding for supportive housing should be sustained and coordinated with funding for housing supply to enable effective planning.
- Funding programs should provide the flexibility to permit a range of approaches, including both linked and delinked models.

3. What changes are required to the *Social Housing Reform Act* to reduce the regulatory burden and improve the management of social housing?

- The *Social Housing Reform Act* should preserve the ability of housing providers with specific ethnic, religious or linguistic mandates to continue to serve members of their communities.
- The Act should ensure the ability of seniors' housing providers to continue to define their seniors mandate on the basis of the needs and preferences of the people to be served, without the restriction of an arbitrary age definition (e.g. 65 years).
- Coordinated access systems should reflect the government's commitment to Aging in Place, supporting continuums of care in which, once seniors enter the community, they are supported to move from independent living to supportive housing to long term care as their needs change.

4. What creative new ideas could improve the current housing system? This could include new planning tools, innovative financial options and new green technologies.

Continuum of Care Settings

- Continuum of care settings are those that provide housing (supportive housing, seniors' housing, retirement home, life lease housing, etc) on the same site as a long term care home.
- Seniors' housing in a continuum setting allows seniors to "age in place" or easily move if a higher level of care is required. As noted earlier, the government has demonstrated its support for aging in place through its Aging at Home Strategy.
- Current regulations provide no assurance that tenants will be able to stay "on campus" when moving from housing to long term care.
- *The Long Term Care Homes Act* regulation development process currently underway provides an opportunity to incorporate a change to allow tenants in seniors' housing

within a continuum to have priority access to the home in that continuum. Such a change could encourage the development of seniors' housing by not-for-profit long term care homes that have available land. This is an area where collaboration between the ministries of Municipal Affairs and Housing and Health and Long-Term Care can contribute to a more comprehensive strategy to meet the needs of Ontario's seniors.

Community Plan Approach to Allocations

- Planning and delivery of housing should use an approach similar to that used in Homelessness Partnering Initiative (HPI) or by the Local Health Integration Networks (LHINs), where a local community a plan is developed that reflects the unique conditions of that community and housing market and is used to enable the community to access the resources needed to implement the plan.
- The provincial government can provide a framework for the development of community plans, including the requirement for a community engagement process that involves both consumers and providers in defining needs and solutions.
- The community plan should include feedback and evaluation mechanisms to ensure that it continues to address local needs effectively.
- Proposal development funding should be available to enable community-based organizations to develop their housing proposals to a point where they can make an application for government funding.

Innovative Financing Options

- Infrastructure Ontario has been established to facilitate easier access to lower cost mortgage financing – all affordable housing providers should be able to access this more flexible and lower cost financing. If possible, this should be done without requiring CMHC mortgage insurance, which can create additional complexity.

Rent Geared to Income

- A mechanism is needed to address affordability for many households, whether they live in social housing or in the private market.
- Housing allowances for people living in the private sector should not be seen as an alternative to permanently affordable non-profit housing.

- Rent supplement funds must be available to make a portion of the units in any new affordable housing development accessible to low income households on a geared to income basis.
- The proportion of RGI units in each building should be determined by negotiation between the housing provider and the Municipal Service Manager, based on local needs and conditions.

5. What should be used as the housing indicator for Ontario's Poverty Reduction Strategy? In this context, what do terms like affordable, adequate and suitable housing mean to you?

- Affordable housing is a relative term, varying by household size, composition and income. The generally accepted indicator is that a household should be able to access adequate and suitable housing within 30% of household income.
- Adequate housing is safe and in good repair, not contributing to adverse health conditions for members of the household.
- Suitable housing is accessible; it is the right size for the household, not overcrowded; it is located in a place that enables the household to participate in the essential activities of citizenship: working, socializing, accessing needed services, accessing shopping for household essentials and it has access to supports where needed to enable the members of the household to live with independence and dignity in the community.
- Affordable housing should include a wide range of housing options reflective of the diverse needs and preferences of the population. This can include homeownership options, private rental, community sponsored housing, dedicated seniors' housing and supportive housing.
- Affordable homeownership should include a range of options, including measures to support people who choose to stay in the own homes, seniors' lifestyle communities, condominiums and life lease housing.

Other Issues

Accessibility Standards

- OANHSS members are acutely aware of the difficulties and barriers that are faced by seniors and others that live with physical, auditory and visual disabilities. Seniors' housing providers have devoted a great deal of effort and study over the years to make the environments for which they are responsible as accessible as possible. The various orders of government, which have financially supported the housing projects and long term care homes that our members operate, share our commitment to accessibility. The design requirements that have applied to developments in the not-for-profit seniors' housing over the past several decades have always included high standards of accessibility.
- We have reviewed the initial proposed Accessible Built Environment Standard, which was released for public review by the Ministry of Community and Social Services in July 2009, and provided our comments. While we did not carry out a detailed technical analysis of the proposed standard, we believe that an in-depth comparison of what is contemplated in that standard with the design requirements that were applied to existing affordable housing is required to determine if retrofitting is needed and to determine both the physical and financial impacts of the proposed standard.
- If the proposed standard proves to be more stringent than the standards that have been applied to existing housing, becoming compliant will have a financial impact. For new development, housing will be less affordable given the additional expense of meeting a higher standard, resulting in increased subsidy costs for government and a possible decrease in the number of new units that can be developed.
- For existing buildings, the need to retrofit to meet a new standard would have a similar impact, as funders would be called upon to provide the required additional resources.
- We are pleased to hear that the Minister has affirmed that it is not the intention of the government to require retrofit of existing housing at this time. However, the proposed standard suggests that they will be expected to comply at some time in the future. We believe that it is important to consider the implications of new standards in advance, to determine the cost impacts and to identify the source of the resources needed to address those costs.

Life Lease Housing

- In the spring of 2007, the Ministry of Municipal Affairs and Housing conducted province-wide consultations on life lease housing. OANHSS provided the views of our members related to best practices, improved consumer protections and ways to achieve a viable, healthy life lease housing sector in Ontario.
- OANHSS members recognize the value of life lease housing as part of a spectrum of housing options to address a wide range of housing needs and preferences. Life lease housing is a cost effective way to draw on the housing assets of seniors to develop senior-friendly housing communities. At the same time, the lack of a clear regulatory or legislative framework can inhibit the ability of these providers to access resources and benefits enjoyed by other housing communities. Examples of this can be found in the recent AHP extension program, where life lease housing was not considered eligible for support either as an affordable homeownership option or as affordable rental housing.
- Any initiative to regulate life lease housing needs to support and encourage the flexibility, innovation and creativity that have contributed to the success of these projects. Standards for life lease housing should focus on the outcomes to be achieved and should avoid prescribing the process to be followed to achieve the outcomes.
- Any regulatory framework must also be reasonable, practical and fair to life lease housing providers (sponsors) and support the viability of this housing option.
- The 2007 consultation revealed a high degree of consensus among stakeholders on the need for consumer education on life lease housing. To this end, OANHSS submitted a proposal to work with the MMAH on the development of a resource to guide and inform the public. We have yet to receive to a response and would encourage the Ministry to consider this opportunity.

Conclusion

OANHSS appreciates this opportunity to provide comments to help guide future direction on a long-term affordable housing strategy. We look forward to working with the Ministry to ensure that the strategy continues to address the housing needs of Ontario's seniors, now and in the future.