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The Regional Municipality of Durham Report

To: The Committee of the Whole
From: Commissioner of Finance, Commissioner of Social Services and
Commissioner of Planning & Economic Development
Report: #2022-COW-19
Date: June 22, 2022

Subject:

At Home in Durham, the Durham Housing Plan 2014-2024 Annual Report

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That this report be received for information as the legislatively required annual report on the progress of At Home in Durham, the Durham Housing Plan 2014-2024;
- B) That in order to advance the goals of At Home in Durham:
 - i) The Commissioner of Social Services be authorized to shift funding within the current funding envelope between all service level standard eligible units and financial housing benefits, including commercial rent supplement, Durham Rent Supplement, community housing provider programs, the Durham Portable Housing Benefit, and future municipally funded housing benefits that may be developed, in order to be more responsive to local needs and maximize the number of available housing units;
 - ii) The facilitation currently undertaken to remove certain projects with fully discharged mortgages from the Housing Services Act be discontinued, and instead Regional staff be authorized to explore opportunities to partner with the community housing providers that operate these projects to continue to provide affordable housing under Part VII.1 of the Housing Services Act; and
- C) That a copy of this report be forwarded to the Ministry of Municipal Affairs and Housing (MMAH).

Report:**1. Purpose**

- 1.1 The purpose of this report is to update the Committee of the Whole and Regional Council on progress related to At Home in Durham, the Durham Housing Plan 2014-2024, including recommendations to advance its objectives. This serves as the eighth annual progress report for the Plan.

2. Background

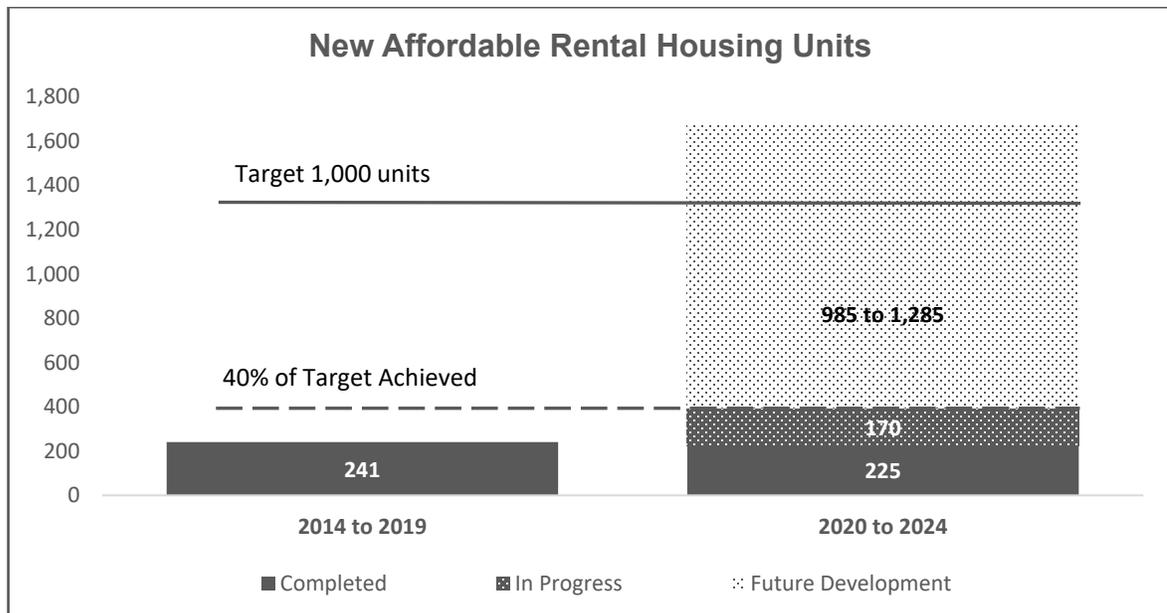
- 2.1 Regional Council approved At Home in Durham, the Durham Housing Plan 2014-2024 in June 2014 (Report #2014-J-16).
- 2.2 At Home in Durham is supported by the work of the Master Housing Strategy (Report # 2020-COW-27) and the recommendations of the Affordable and Seniors Housing Task Force (Report #2017-COW-249).
- 2.3 At Home in Durham sets out four goals and primary actions that aim to improve affordability and access to housing, protect the existing affordable housing supply, encourage housing diversity, and build capacity in the housing system. These goals are:
- Goal 1: End Homelessness in Durham
 - Goal 2: Affordable Rent for Everyone
 - Goal 3: Greater Housing Choice
 - Goal 4: Strong and Vibrant Neighbourhoods.
- 2.4 At Home in Durham commits to ambitious targets in relation to these goals, including the initiation of the development of 1,000 new affordable rental housing units over the final five years of the current plan.
- 2.5 In July 2020, the Housing Services Act (HSA) was amended in line with the provincial Community Housing Renewal Strategy to:
- a. Provide a streamlined legislative framework for community housing that will incent community housing providers to stay in the housing system once their original operating agreements and mortgages end (EOA/EOM).
 - b. 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.
- 2.6 These changes afford the opportunity for the Regional Municipality of Durham (Region) to be more flexible in its approach to community housing and municipally funded financial housing assistance programs to further advance the goals and objectives of At Home in Durham and the Master Housing Strategy.

3. Previous Reports and Decisions

- 3.1 [Report #2014-J-16](#) At Home in Durham, the Durham Housing Plan 2014-2024.
- 3.2 [Report #2022-INFO-46](#) Housing Services Act – Regulation Changes
- 3.3 [Report #2022-COW-7](#) Regional Incentive Program for Affordable Housing
- 3.4 [Report #2020-COW-27](#) Master Housing Strategy.
- 3.5 [Report #2020-SS-15](#) Portable Housing Benefits
- 3.6 [Report #2019-COW-25](#) At Home in Durham, the Durham Housing Plan 2014-2024 – Five-year Review.
- 3.7 [Report #2019-COW-4](#) 2019 Regional Social Housing Servicing and Financing Study – approval of Durham Portable Housing Benefit pilot
- 3.8 [Report #2017-COW-257](#) 2018 Regional Social Housing Servicing and Financing Study – flexibility to shift units between rent supplement and community housing
- 3.9 [Report #2017-COW-249](#) Affordable and Seniors Housing Task Force.
- 3.10 [Report #2016-COW-84](#) 2017 Regional Social Housing Servicing and Financing Study – reallocation of mortgage subsidy savings at EOM.

4. New Affordable Rental Housing Development

- 4.1 Since the introduction of At Home in Durham in 2014, there has been a marked shift in the issue of housing affordability across the province, creating a “housing crisis” that has made the need for action even greater than it was when At Home in Durham was first developed.
- 4.2 In order to address the significant and increasing affordability needs of low- and moderate-income renters in Durham, the Region has committed to the initiation of 1,000 new affordable rental housing units over the final five years of At Home in Durham (Report #2019-COW-25). A robust and affordable housing sector is critical to eliminating homelessness and building healthy, strong and vibrant communities.
- 4.3 Since 2014, the Region has leveraged considerable federal and provincial funding for the development of new affordable rental housing in Durham.
 - a. In the first five years of the plan (2014 to 2019), 241 new units were developed across 5 different properties.
 - b. Since the beginning of 2020, an additional 225 units have been completed, and 170 units are currently under development.
 - c. An estimated additional 985 to 1,285 potential units have been identified as future development opportunities.



- 4.4 There are seven projects currently under development both directly by the Region and in partnership with non-profit organizations. Projects are at varying stages of completion and are anticipated to be finished between December 2022 and March 2026. These are:
- a. The Region's Beaverton Supportive Housing project that will provide 47 units of affordable, supportive and transitional housing.
 - b. Three projects under development by Durham Region Non-Profit Housing Corporation (DRNPHC) as part of their long-term sustainability strategy:
 - 24 affordable townhouse units in Oshawa for families.
 - 52-unit apartment building for seniors in Clarington, that will provide 26 affordable rental units.
 - redevelopment of a current community housing site in Oshawa that will increase the total available units and include 26 affordable rental units.
 - c. Co-operative housing project providing 18 affordable and supportive housing units for seniors, people with developmental disabilities and people with mental health and addictions issues.
 - d. Non-profit project that will provide 27 affordable and supportive housing units for youth on former school property in Oshawa.
 - e. Motel acquisition project in Whitby that is providing 26 affordable supportive and transitional housing units for homeless women (24 units are currently occupied and 2 are still under development).
- 4.5 In addition to the projects currently in progress, there is potential for the initiation of an estimated 985 to 1,285 new affordable rental housing units over the life of At Home Durham. Notably:

- a. The Durham Live lands in Pickering has approvals through a Ministerial Zoning Order for 1,650 new residential units, of which 150 units will be affordable purpose-built rental housing.
 - b. The regeneration of the Durham Regional Local Housing Corporation (DRLHC) has the potential to add about 900 to 950 additional community housing units across four DRLHC sites, of which as many as half could be rent-geared-to-income or below CMHC average market rent. Early work has begun to develop strategies, identify potential, mitigate impact to current tenants, and estimate costs in relation to two of these sites.
 - c. In 2021, Regional Council authorized the purchase of the former Ritson Road Public School property in Oshawa with the potential to explore development opportunities with the private sector for the creation of 100 to 400 medium and/or high density affordable rental housing units on the site, as well as community supports for seniors and child care.
 - d. Consultations continue with Infrastructure Ontario to explore the opportunity to jointly redevelop surplus Regionally owned land in the town of Whitby, which has potential to create approximately 250 affordable purpose-built rental housing units as part of a larger redevelopment.
 - e. The Region continues to work closely with community partners who have identified development opportunities to provide housing with supports for people experiencing homelessness.
- 4.6 The creation of the Region's new At Home Incentive Program will provide up-front capital funding for purpose-built affordable rental housing through annual Calls for Applications (Report #2022-COW-7). The Program will be supported by a new At Home Incentive Program Reserve Fund, with base funding of \$5.5 million and annual contributions, subject to the annual Business Plans and Budget process. Program materials are under development, and the first Call for Applications is anticipated to be issued in the fall of this year.
- 4.7 At a total of 395 units either completed or in progress since 2020, the Region has already initiated about 40 per cent of the targeted 1,000 units – and has identified potential future development opportunities that are on track to exceed this target. The At Home Incentive Program will further advance the Region's goals in meeting this affordable housing target.

5. Financial Housing Assistance

- 5.1 In addition to its commitments to increase the affordable housing supply in the region, Goal 2 of At Home in Durham commits to increase rental assistance for low-income households.

- 5.2 The current rental housing supply in Durham is limited, and almost 37 per cent of renters are in core housing need,¹ mostly due to affordability. The median income of renter households in Durham is only \$45,700², but a renter would need to earn \$54,920 in order to afford average market rent (\$1,373 per month³) at 30 per cent of their income.
- 5.3 Financial housing assistance programs help to bridge the gap between income and rental costs and are critical to address the immediate needs of low- and moderate-income households in Durham, as new affordable housing development can take years to complete. New development saw increasing delays throughout the COVID-19 pandemic, caused by supply chain constraints and labour shortages.
- 5.4 The Region currently offers direct financial housing assistance to low-income households through the:
- Durham Portable Housing Benefit (Durham PHB) – a municipally-funded benefit that can be used anywhere in Durham.
 - Durham Housing Allowance – a temporary provincially-funded benefit that can be used anywhere in Durham; the benefit will end in 2024.
 - Canada-Ontario Housing Benefit (COHB) – a federally/provincially funded benefit that is administered by the Ministry of Finance (MOF) and can be used anywhere in Ontario.
- 5.5 Provincially/federally funded benefits represent the majority of direct financial housing assistance in Durham (about 71 per cent). These programs are administered under federal/provincial program guidelines, and most are time limited in nature. In the case of COHB, which is administered directly by the MOF, recipients are not well supported to maintain their benefit and can also move the benefit outside of Durham.
- 5.6 In contrast, the Durham PHB provides a more stable and flexible benefit to address local needs in the region. In July 2019, the Region piloted 70 benefits under the newly introduced Durham PHB program (Report #2019-COW-4). Despite the success of the program (Report #2020-SS-15), it has not yet been expanded, and very few benefits become available annually through turnover (only 4 benefits in 2021).

¹ Core housing need means that a household falls below one of the Canada Mortgage and Housing Corporation (CMHC) adequacy, affordability or suitability standards, and would have to spend 30 per cent or more of gross income to afford the median rent for alternative housing that meets all standards: 1) adequate dwellings are reported as not requiring major repairs; affordable dwellings cost less than 30 per cent of gross income; and 3) suitable dwellings have enough bedrooms for the size and make-up of the household.

² Statistics Canada, Census 2016

³ Canada Mortgage and Housing Corporation, Rental Market Survey Data Tables, Greater Toronto Area (2021)

5.7 In order to better address housing affordability pending the development of new affordable rental housing, staff will be requesting increased financial housing assistance through the annual budget process.

6. Community Housing

6.1 The Master Housing Strategy commits to support the preservation and modernization of community housing, including opportunities for more flexible partnerships and support for capital needs.

6.2 In 2016, Regional Council directed that at the end of operating agreements or end of mortgages (EOA/EOM) with community housing providers (Report #2016-COW-84):

- a. The Region seek approval to remove housing providers at EOA from the HSA⁴ in order to ensure that the Region does not assume any contingent liability for any future refinancing of these housing projects.
- b. The Region enter into new rent supplement agreements with housing providers at EOA/EOM in order to retain affordable housing units in the community.
- c. Staff establish an operating framework for creating new partnerships with community housing providers, non-profit housing related organizations and the private sector as existing providers reach EOA/EOM.

6.3 The intent of this direction was to ensure that affordable housing continues to be provided and the Region continues to meet its legislated service level standards (SLS) under the HSA.

6.4 In July 2020, the HSA was amended to provide a new streamlined framework for community housing at EOA/EOM, which will be enacted in July 2022 in line with new regulatory requirements and flexibility for service managers, like the Region of Durham (Report #2022-INFO-46). Notably:

- a. Service managers may enter into new service agreements under Part VII.1 of the HSA with housing providers that reach EOA/EOM, as well as new providers that are not currently operating under the HSA.
- b. Service managers will be permitted to include municipally funded housing assistance programs that comply with specified criteria under their legislated SLS, in addition to rent-geared-to-income (RGI) units and portable housing benefits (PHB).
- c. Housing providers who no longer want to partner with service managers at EOA/EOM may enter into exit agreements, subject to the providers plans for the continued operation, redevelopment or reinvestment in affordable housing.

⁴ Staff were directed to request the Province seek a waiver under section 9(d) of the Canada-Ontario Social Housing Agreement for housing providers at EOA, and subsequently remove these providers from Schedule 6 of Ontario Regulation of the HSA.

- 6.5 Part VII.1 agreements must have a term of at least 10 years and include a financial plan of at least 5 years that has been jointly developed by the housing provider and service manager. There is flexibility to negotiate provider targets for RGI and for other municipally funded housing assistance as part of the agreement, but housing assistance received by current households must be preserved.
- 6.6 The SLS changes provide an opportunity to rethink the types of housing assistance offered in community housing, both now and after EOA/EOM. Municipally funded benefits are not required to follow prescriptive provincial wait list rules, and the cost to subsidize social assistance recipients receiving these benefits will be less than for RGI.
- 6.7 Currently, the Region has limited municipally funded housing benefits – 35 Durham Rent Supplement units and 35 Durham PHB – that are currently excluded under SLS but will be included beginning July 1, 2022.
- 6.8 There is already flexibility to move SLS units between commercial rent supplement and community housing provider programs (Report #2016-COW-84). In order to ensure the Region continues to meet its legislated SLS under the HSA and prepare for new Part VII.1 agreements at EOA/EOM, **it is recommended that the Commissioner of Social Services be authorized to shift funding within the current funding envelope between all service level standard eligible units and financial housing benefits, including commercial rent supplement, Durham Rent Supplement, community housing provider programs, the Durham PHB, and future municipally funded housing benefits that may be developed, in order to be more responsive to local needs and maximize the number of available housing units.**
- 6.9 The current Regional Council direction to remove community housing projects at EOA/EOM from the HSA and enter into rent supplement agreements is less flexible than the new HSA framework and risks loss of affordable housing units. Additionally, community housing providers that enter into Part VII.1 agreements or exit agreements are no longer considered designated providers under the HSA for which the Region holds contingent liability. Notwithstanding the direction per Report #2016-COW-84, **it is recommended that the facilitation currently undertaken to remove certain projects with fully discharged mortgages from the Housing Services Act be discontinued, and instead Regional staff be authorized to explore opportunities to partner with the community housing providers that operate these projects to continue to provide affordable housing under Part VII.1 of the Housing Services Act.**
- 6.10 Regional staff continue to work with community housing providers under the current framework, including conducting regular operational and RGI reviews. As community housing providers move closer to EOA/EOM, it is critical that these partnerships be preserved, including flexible and responsive approaches to reviews and audits that consider the unique needs of the provider.

6.11 The sustainability of community housing is vital to meeting the affordability needs of low- and moderate-income residents in Durham and to creating strong and vibrant neighbourhoods as envisioned in At Home in Durham.

7. Envision Durham

7.1 Envision Durham is the Region's Municipal Comprehensive Review of the Regional Official Plan. Proposed Policy Directions under Envision Durham present potential changes to land use planning policies, including proposed directions for housing and affordable housing, such as:

- a. Completing a Regional Housing Assessment Report to support the Region's area municipalities to undertake Inclusionary Zoning within their respective jurisdictions.
- b. Strengthening policies to prevent the loss of rental housing.
- c. Establishing a new affordable housing target for at least 35 per cent of new housing within Strategic Growth Areas.
- d. Adding a new policy to encourage less expensive housing including secondary units, microhomes, purpose-built rental housing and medium and high-density apartments in areas that are well served by local amenities including transit, schools and parks.
- e. Encouraging reduced parking standards as a way to support the delivery of affordable housing, including purpose-built rental housing.

7.2 The new Regional Official Plan is expected to be complete in 2023 and is anticipated to include enabling policies that will create a more supportive and permissive environment for affordable rental housing in the region in line with the goals of At Home in Durham.

8. Homelessness Initiatives

8.1 In 2019, the Region partnered with the Canadian Alliance to End Homelessness to participate in its Built for Zero campaign. The goal of the campaign is to help a core group of leading communities to achieve and sustain functional zero⁵ chronic homelessness, in alignment with the goals of At Home in Durham.

8.2 The Region has fully implemented a By-Name List, which is a real-time list of people known to be experiencing homelessness, as well as a co-ordinated access system that enables community partners to prioritize and work more effectively with this vulnerable population.

8.3 Although the benefits of the By-Name List and co-ordinated access system continue to be challenged by COVID-19 shelter restrictions and a challenging rental housing

⁵ Functional zero means that a community has no more than three chronically homeless people on its By-Name List, or 0.1 per cent of its most actively homeless number (whichever is greater) sustained for three consecutive months.

market, the homelessness sector in Durham was successful in assisting 219 homeless individuals and families to find housing in 2021 – including 114 people who had previously been chronically homeless.

- 8.4 The Region continues to work with community partners to provide housing opportunities and supports for people experiencing homelessness. A robust and affordable rental housing sector – including an increased supply of community housing and affordable housing in the private market – as well as supports and flexible and timely financial housing assistance will help to end homelessness in Durham.

9. Relationship to Strategic Plan

- 9.1 This report aligns with and addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Goal 2: Community Vitality – To foster an exceptional quality of life with services that contribute to strong neighbourhoods, vibrant and diverse communities, and influence our safety and well-being.
 - 2.1 – Revitalize existing neighbourhoods and build complete communities that are walkable, well-connected, and have a mix of attainable housing.
- b. Goal 3: Economic Prosperity – To build a strong and resilient economy that maximizes opportunities for business and employment growth, innovation and partnership.
 - 3.2 – Leverage Durham's prime geography, social infrastructure, and strong partnerships to foster economic growth.
- c. Goal 4: Social Investment – To ensure a range of programs, services and supports are available and accessible to those in need, so that no individual is left behind.
 - 4.1 – Revitalize community housing and improve housing choice, affordability and sustainability.
 - 4.2 – Build awareness and community capacity to address poverty.

10. Conclusion

- 10.1 This is the eighth annual progress report of At Home in Durham, the Durham Housing Plan 2014-2024. It reports on current and future initiatives under the Master Housing Strategy and the recommendations of the Affordable and Seniors' Housing Task Force that operationalize and support the goals of the plan.
- 10.2 The goals and actions of At Home in Durham will improve affordability and access to housing with and without supports, protect the existing affordable housing supply,

encourage housing diversity, and build capacity in the housing system. The Region is making progress in realizing these goals.

10.3 Over the final five years of the plan, the Region of Durham is committed to initiating the development of 1,000 new affordable housing units. Projects completed or currently under development represent about 40 per cent of this target, and the new At Home Incentive Program will further advance this progress.

10.4 The new regulatory framework under the Housing Services Act provides an opportunity for the Region to be more responsive to local needs and to grow and sustain the community housing portfolio in line with the strategic direction of At Home in Durham.

10.5 Staff will continue to update Regional Council on the progress of initiatives undertaken per the Master Housing Strategy and At Home in Durham as they arise.

Respectfully submitted,

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