

Ontario *Social Housing Reform Act* at-a-glance

A guide for co-op members

Bill 128, Ontario's **Social Housing Reform Act**, passed third and final reading on December 12, with more than 100 amendments. The new law:

- **transfers administration** of provincial social housing programs to municipalities
- **cancels existing co-op operating agreements** and imposes a new operating system
- **requires province-wide standards**, but allows for some municipal rules
- **gives municipalities power** over some operations, including RGI administration
- **creates a new provincial body** called the Social Housing Services Corporation.

This guide provides a brief overview of the new law. Many critical details remain uncertain. A large number of regulations are expected in the spring. For more information, log onto the Ontario Region section of the CHF Canada Web site at www.chfc.ca. Or call **Harvey Cooper** or **Michael Shapcott** at CHF Ontario Region at 1-800-268-2537 (in Toronto, call 416-366-1711).

Transfer of administration

Under this law, municipalities have five months to prepare and submit to the province a transition plan. This plan will spell out the details of how the municipality will administer co-op and non-profit housing programs in their area. A key amendment won by co-ops requires municipalities to consult with every housing provider. This gives co-ops a chance to make sure our key concerns are incorporated in the municipal transition plans.

New operating system

The act cancels existing operating agreements between co-ops and the province. A new operating system, including a new funding model, is imposed. The previous capital (or bridge) subsidy and rent-gear-to-income (RGI) subsidy are combined into a single formula. The new funding model requires co-ops to make a mandatory payment to the municipality, and also forces co-ops to share half of any operating surplus. However, amendments won by co-ops will allow us to pay off certain liabilities and create operating reserves before sharing any remaining surplus with the municipality. In addition, there is an amendment allowing the government to make changes in the rigid subsidy calculation. This would deal with special economic conditions, such as flat or declining rental markets.

Province-wide standards

The act requires Queen's Park to set province-wide standards for housing providers. This was a key goal of co-ops since we wanted to avoid a patchwork of rules and regulations across Ontario.

Municipalities urged the province to give them lots of “flexibility” to set local standards, but an amendment won by co-ops prohibits municipalities from creating a wide array of their own rules. The act gives the province the power through regulations to set targeting plans (RGI levels) and mandates for co-ops. Senior government officials say that these plans and mandates will be based on current co-op agreements. A key amendment won by co-ops puts a cap on the power of municipalities to make changes to RGI levels once they have been set by the province.

Municipal powers

Under this legislation, municipalities will be able to take on key powers, including centralized RGI administration and waiting list management. But section 15 allows municipalities to contract with co-ops to continue to administer RGI programs. Co-ops will have to make a region-by-region case to retain RGI. On-site administration of RGI is more cost-efficient and offers better client service than a remote, centralized bureaucracy. We have already heard from several municipalities that they are prepared to contract with co-ops. An amendment won by co-ops puts limits on municipal administration of waiting lists and allows each co-op to maintain sub-lists.

Municipalities have extensive powers under the act to intrude into co-op operations, reduce or suspend subsidy payments or even remove and replace co-op directors. The province has to approve any major actions by municipalities. Co-ops won an amendment that restricts municipal intervention. Municipalities will not be allowed to step into our operations unless the problem experienced by a co-op is very serious and the co-op has been given time to correct the problem first. This is an important protection from needless intrusion into our operations.

In addition, amendments won by co-ops limit the paperwork burden on co-ops by restricting the reporting requirements of municipalities.

Social Housing Services Corporation

The Social Housing Services Corporation is another layer of bureaucracy that co-ops don’t want and don’t need. The SHSC will manage the pooling of capital reserves, co-ordinate insurance programs, establish and manage bulk-purchasing plans and deal with benchmarking and best practices. The province didn’t accept our recommendation to cancel plans for the SHSC, but they did accept five amendments from co-ops. These amendments make it clear that the capital reserves that co-ops are required to invest through policies established by the SHSC remain the property of the co-op. The amendments allow the SHSC to contract with sector groups for group insurance, bulk-buying and education and training programs. So we will have to work hard to make sure that sector groups can continue to effectively serve their members.

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