

Clause 14 in Report No. 4 of Committee of the Whole was adopted, as amended, by the Council of The Regional Municipality of York at its meeting held on March 29, 2018.

14

Modernization of the Subsidized Housing Wait List

It was moved by Regional Councillor Spatafora, seconded by Regional Councillor Ferri that Council adopt the recommendations in Clause 14 of Report No. 4 of Committee of the Whole with the following amendment as noted:

Modernization of the Subsidized Housing Wait List (Clause 14)

3. *Council approve an eligibility rule setting an income limit at the 40th income percentile, rounded to the nearest thousand, effective October 1, 2018, to be reviewed every three years.*

Carried

Committee of the Whole recommends:

1. Receipt of the presentation by Rick Farrell, General Manager, Housing Services, Community and Health Services.
2. Adoption of the following recommendations contained in the report dated February 16, 2018 from the Commissioner of Community and Health Services:
 1. The Regional Chair write to the Minister of Housing requesting the Minister to respond by May 1, 2018 with any objections to proposed eligibility rules, and advising that should no objection be received by May 1, 2018, the eligibility rules will be deemed approved by Council and will be implemented beginning October 1, 2018.
 2. Subject to any objections received from the Minister of Housing, Council approve the following eligibility rules, effective May 1, 2018:
 - a. The eligibility rule for applicants and future households shall include a rent subsidy asset limit of \$75,000 effective October 1, 2018, as set out in Attachment 1.
 - b. The eligibility rule for existing households receiving subsidized rents shall include a rent subsidy asset limit of \$150,000 commencing October 1, 2018 as set out in Attachment 2.

Modernization of the Subsidized Housing Wait List

3. Council approve an eligibility rule setting an income limit at the 40th income percentile effective October 1, 2018, as set out in Attachment 3.
4. The Regional Chair write to the Minister of Housing requesting the Minister to amend requirements of the *Housing Services Act, 2011* and its related regulations that require housing providers to offer prospective rent subsidy households the right to refuse three housing offers before being removed from the housing waiting list, to permit no refusals.

Report dated February 16, 2018 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. The Regional Chair write to the Minister of Housing requesting the Minister to respond by May 1, 2018 with any objections to proposed eligibility rules, and advising that should no objection be received by May 1, 2018, the eligibility rules will be deemed approved by Council and will be implemented beginning October 1, 2018.
2. Subject to any objections received from the Minister of Housing, Council approve the following eligibility rules, effective May 1, 2018:
 - a. The eligibility rule for applicants and future households shall include a rent subsidy asset limit of \$75,000 effective October 1, 2018, as set out in Attachment 1.
 - b. The eligibility rule for existing households receiving subsidized rents shall include a rent subsidy asset limit of \$150,000 commencing October 1, 2018 as set out in Attachment 2.
3. Council approve an eligibility rule setting an income limit at the 40th income percentile effective October 1, 2018, as set out in Attachment 3.
4. The Regional Chair write to the Minister of Housing requesting the Minister to amend requirements of the *Housing Services Act, 2011* and its related regulations that require housing providers to offer prospective rent subsidy households the right to refuse three housing offers before being removed from the housing waiting list, to permit no refusals.

2. Purpose

This report updates Council on the Region's efforts to modernize the subsidized housing wait list. The provincial *Housing Services Act, 2011* limits the extent of modernization possible. Council approval is sought to implement both asset and income limits to further define eligibility for rent subsidy programs.

3. Background

Affordable housing options in York Region are limited

From 2006 to 2016, the average home price in York Region increased by 138 per cent pushing ownership options out of reach for many households. The rental sector has stagnated resulting in a vacancy rate of 1.3 per cent in 2017. With a population of almost 1.2 million, a review of Municipal Property Assessment Corporation data identified 15,575 purpose built rental units in York Region. Of these, almost half are owned by non-profit and co-operative housing providers. York Region's social housing supply compared to its population is the lowest in the Province at 17 units of social housing per 1,000 households. This number continues to decrease as our population grows. The low supply of affordable rental units continues to contribute to rising demand for the subsidized rental housing units as applicants have limited private sector options.

The Region is mandated to maintain a subsidized housing wait list

Under the *Housing Services Act, 2011* the Region is required to maintain a chronological wait list. Administration of the wait list is heavily prescribed by the Province. Currently the York Region wait list includes only basic eligibility criteria. To be eligible for a rent subsidy applicants must:

- Have legal status in Canada
- Be 16 years of age or older
- Not owe arrears to a non-profit housing provider
- Not be convicted of contravening the legislation over the last two years

Applicants are added to the wait list based on the date they submit a complete application. As part of the application and update process, applicants are required to declare their total household income and any owned assets. Applicant declarations are not verified until the housing provider is ready to consider the applicant for a subsidized vacancy. Currently, there is no limit to the amount of

income or assets households can have at the time of application to the wait list in York Region.

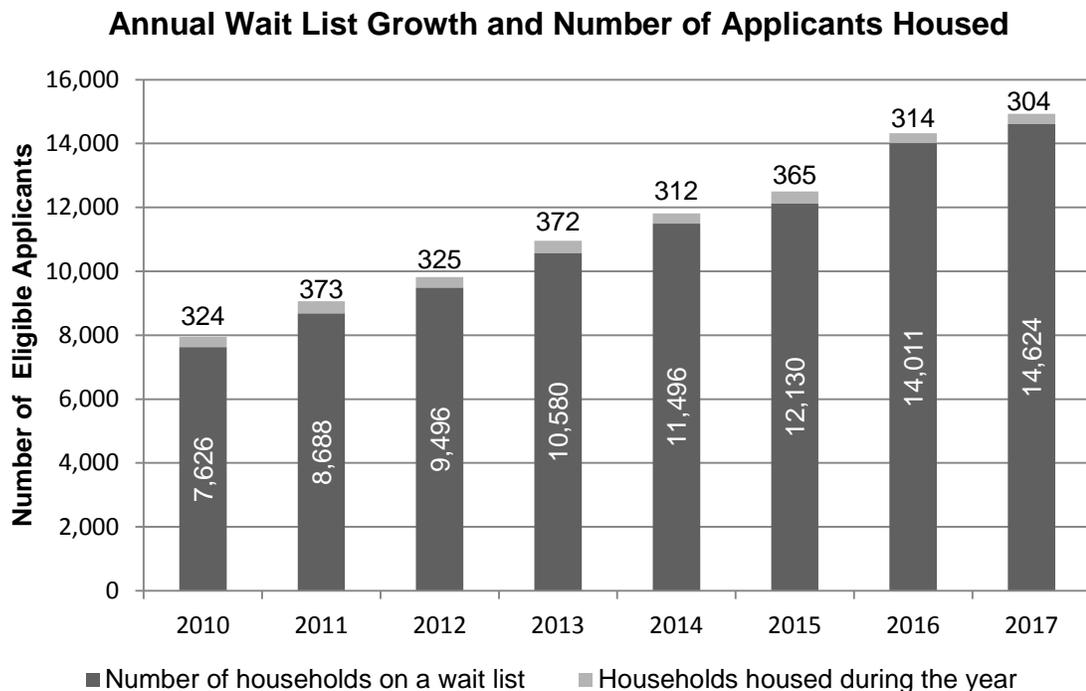
The wait list, as it is currently structured, is administratively onerous, complex and not client focused. The Region is required to update all applications on the wait list at least every 24 months.

The wait list has almost doubled in sized to over 14,500 households over the last seven years

In 2017, 3,037 households applied to the subsidized housing wait list increasing the total number of applicants to 14,624. The wait list has almost doubled in size over the past seven years. Seniors continue to be the largest group waiting for subsidized housing, making up about 55 per cent of applicants on the wait list.

Figure 1 highlights the annual growth of the wait list, as well as the number of applicants housed each year.

Figure 1



Source: Subsidized Housing Wait List record, December 31, 2017

In 2017, 304 households were housed from the wait list with applicants waiting an average of six years for a subsidized unit

The Region is mandated by the Province to fund approximately 4,000 subsidized units. Housing providers including Housing York Inc. must select applicants from

Modernization of the Subsidized Housing Wait List

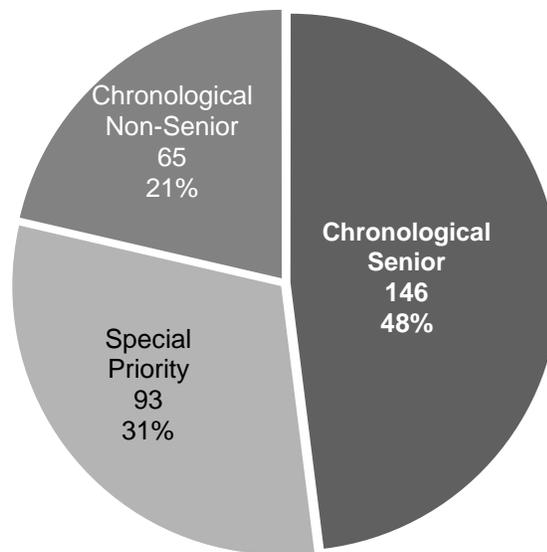
the wait list when filling a vacant subsidized unit. In 2017, 304 rent subsidies became available for applicants on the wait list.

Generally applicants are housed in chronological order from the date of their complete application, however, there are variations in timing depending upon the building locations they have chosen (some buildings have more turn-over of units and therefore more availability than others). The chronological ordering also varies as some buildings are for seniors only (people aged 60 and above at the time of application).

An exception to chronological order is the “special priority” group, which is discussed in more detail below.

Figure 2 identifies the distribution of applicants housed in 2017.

Figure 2
Applicants Housed in 2017 by Type



Applicants housed in 2017 waited on average 6.1 years for a subsidized housing unit. Table 1 illustrates average wait time by applicant type.

Table 1

Average wait time of applicants housed in 2017

Applicant Type	Average wait time (years)
Chronological non-senior	8.5
Chronological senior	7.8
Special priority	1.7

Source: Subsidized Housing Wait List record, December 31, 2017

Applicants housed in 2017 applied to the wait list at a time when the demand for rent subsidies and the size of the wait list was less than half of its current size. Applicants applying to the wait list today would have significantly longer wait times than those applying eight to ten years ago.

Almost one-third of rent subsidies are allocated to special priority applicants, resulting in longer wait times for chronological applicants

The *Housing Services Act, 2011* requires Housing York Inc. and community non-profit housing providers to offer rent subsidy vacancies to special priority applicants prior to considering other chronological applicants. “Special priority” includes survivors of domestic violence, immigrants who have been abused by their sponsors and seniors who have experienced elder abuse. The Province expanded the special priority category, on January 1, 2018, to include survivors of human trafficking.

On average special priority applicants make up 1 per cent of applicants on the wait list, yet this client group was allocated 31 per cent of all rent subsidy vacancies in 2017.

Social housing is primarily intended to provide homes for people with low incomes. Applicants who do not meet the requirements of “special priority” are housed in chronological order. Although chronological applicants make up 99 per cent of applicants on the wait list, they were allocated only 69 per cent of the rent subsidy vacancies in 2017.

The intent of special priority is to quickly house households at risk, which is why this group takes priority over other applicants on the wait list. Any provincial decisions to expand the special priority category further lengthens the wait for chronological applicants and puts further stress on municipally funded subsidized housing.

MODERNIZATION OF THE SUBSIDIZED HOUSING WAIT LIST

The Region has implemented changes to wait list administration, shifting the focus to improving client service

Late in 2016, the Region began to modernize the subsidized housing wait list to enhance service delivery for applicants and support a one door approach for residents accessing York Region programs and services.

The initial application intake process and application updates were streamlined and transitioned to Access York. The partnership with Access York supports better integration of support services by identifying and referring applicants to programs and supports that may need to help them stabilize their existing housing, especially given that the wait for a subsidized unit will be very long. Supports may include referrals to child care, transit subsidies, mental health supports, transitional housing, community agencies, and homelessness prevention services.

In 2018, a deeper analysis of who is on the wait list, and why, will be undertaken to identify more ways to help applicants who are waiting for subsidized housing

A deeper analysis of the wait list will help the Region to gain a better understanding of clients and their needs. Currently, wait list demand is reported as anyone who adds their name to the subsidized housing wait list, regardless of their need. A deeper analysis will allow staff to identify programming supports to help stabilize housing for people waiting, to streamline administration, to better focus resources on existing need, and to refine reporting to provide Council with a meaningful assessment of housing needs.

4. Analysis and Implications

Asset and income limits will help the Region to better target resources to households most in need

Although the wait list is a measure of the demand for subsidized housing, it is not an accurate measure of the need. One reason for this is that the Region does not have income and asset limit policies as part of their eligibility criteria for the wait list. Anyone over the age of 16 and legally entitled to live in Canada may apply for subsidized housing regardless of their circumstances. As a result, there are households on the Region's wait list with assets and incomes that would allow them to access other housing options. Many of these are seniors who may be on the wait list because of the desirability of seniors housing communities operated by

Housing York Inc. and non-profit housing providers. In addition to making the level of need seem higher than what the actual need is, these applications must be reviewed and updated by staff every two years, using up resources which would be better applied to helping people access services and supports.

Office of the Auditor General of Ontario recommended a needs based eligibility process for subsidized housing

In December 2017, the Office of the Auditor General of Ontario released the 2017 Annual Report that included a value-for-money audit of Ontario's social and affordable housing.

The Auditor General made 15 recommendations for the Ministry of Housing. Recommendation 2 specifically addressed the need to ensure that limited resources are allocated based on need, when deciding who should receive a rent subsidy.

“Recommendation 2 - To better ensure that limited resources are used to help households with the highest need, we recommend that the Ministry of Housing work with municipal service managers on developing a new needs-based eligibility and prioritization process that incorporates relevant information, such as assets owned by applicants, when deciding who should receive social housing subsidies.” (Office of the Auditor General of Ontario, 2017 Annual Report, p. 724)

RENT SUBSIDY ASSET LIMITS

The Region may establish an asset limit for subsidized housing

The *Housing Services Act, 2011* gives Service Managers authority to introduce asset limit local rule, provided they fall within provincial parameters. Provincial parameters include:

- The asset limit cannot be below \$20,000
- Certain assets must be excluded from an asset limit (e.g. business assets, disability related funds, personal possessions, motor vehicle, Registered Education Savings Plan, etc.)
- Assets included in an asset limit include real estate, non-registered investments and savings accounts
- Asset limits must apply equally to applicants and existing subsidized households, which includes tenants and co-operative members

Service Managers are permitted to set different asset limits for units of different types and sizes and for units in different areas of the service area.

An asset limit would limit who may apply to be on the wait list for subsidized housing, and who may be eligible for a subsidized rent.

Twelve Service Managers have implemented a local asset limit rule for their service areas

A broad jurisdictional scan of other Service Managers shows twelve have implemented an asset limit ranging from \$20,000 to \$200,000. Service Managers set their asset limit according to local need and housing market conditions in their area. Table 2 provides an overview of asset limit thresholds for York Region's three neighbouring Service Managers with similar housing markets.

Table 2
Service Manager Asset Limit Thresholds

Service Manager	Asset Limit
Simcoe County	All households \$50,000
Region of Peel	Single \$50,000 Family \$75,000
Region of Durham	Single \$50,000 Family \$75,000

When a Service Manager sets an asset limit, the asset limit applies to all subsidized housing units funded and administered by the Service Manager. This includes all households with subsidized rents in buildings owned and operated by Housing York Inc. and by community non-profit and co-operative housing providers.

A \$75,000 asset limit for applicants is recommended to provide households with sufficient opportunity to save, while targeting housing to those most in need

Regional staff conducted extensive consultations with internal and external stakeholders including non-profit and co-operative housing providers and the Housing York Inc. Board to determine an appropriate asset limit. Common themes included:

Modernization of the Subsidized Housing Wait List

- The asset limit should be between \$75,000 and \$125,000
- Do not set asset limits based on unit type as such limits are not responsive to changes in household composition (e.g. loss of a spouse) and may adversely affect a household's eligibility for a rent subsidy
- Asset limits should not apply to existing subsidized households

Based on the consultations and jurisdictional research, an asset limit of \$75,000 is recommended as the maximum value of assets an applicant can own to be eligible for a rent subsidy in York Region.

An asset limit of \$75,000 is recommended because it would provide applicants with sufficient opportunity to save while targeting households most in need. Permitting applicants to save up to \$75,000 in assets better positions aging residents to save for their health needs and a family to save money for a down payment on a home, while balancing the need to help ensure only those most in need are considered for subsidized rents.

To ensure parity, the recommended asset determination excludes both employer pension plans and Registered Retirement Savings Plans

Staff recommend excluding pension plans (e.g. Registered Retirement Saving Plans and private pensions) from the determination of assets. Excluding all pension plans would apply the policy equally to households that have pension plans through their employer which are not considered a household asset, as they have not yet vested, and households that save for retirement through a Registered Retirement Savings Plan. From a rent calculation perspective, pension payments and Registered Retirement Savings Plan withdrawals are included in the calculation of household income.

Where the applicant owns a home, the recommended asset determination would be based on home equity, rather than the home's full value

For example, an applicant with a \$675,000 home and a mortgage of \$610,000 would have an asset worth \$65,000, not \$675,000. Using the full value of a home rather than the equity would be a barrier for some family applicants who are financially overextended or fleeing a situation of domestic violence. During the consultations, housing providers reported that family applicants who reported owning a home before a separation often had very little left after discharging the mortgage and paying closing costs. This situation is not common for seniors.

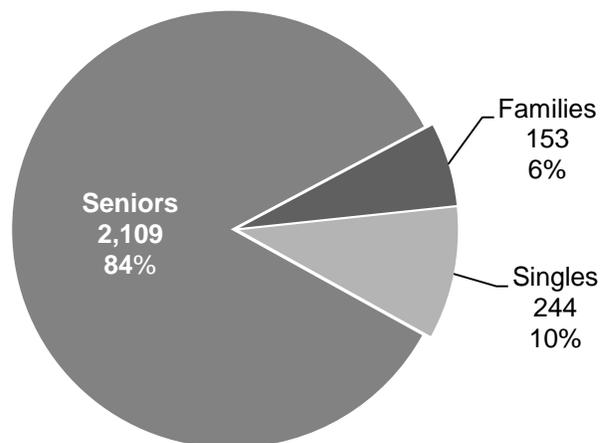
An asset limit of \$75,000, could remove up to 2,506 applicants from the subsidized housing wait list

Applicants on the wait list declare the total value of their assets at the time of application. The information provided is verified only at the time the applicant is offered housing, which may be many years after they made the application. In addition, the assets reported on the housing application may include assets that would be exempt from the proposed eligibility rule, such as Registered Retirement Savings Plans.

Based on this unverified information from applicants, which is the best data available at this time, in December 2017, there were 2,506 applicants on the wait list with \$75,000 or more in assets. Eighty-four per cent or 2,109 of these applicants were seniors. Figure 3 provides an overview of the type of applicants with \$75,000 or more in assets.

Figure 3

Applicants with \$75,000 or more in assets by type



Source: Subsidized Housing Wait List record, December 31, 2017

The *Housing Services Act, 2011* requires asset limits to be applied equally to applicants and existing subsidized households

The *Housing Services Act, 2011* does not currently distinguish between eligibility to receive a rent subsidy and eligibility to be on the wait list. If implemented, an asset limit would have to apply to both applicants and households already housed with a rent subsidy.

Applying a \$75,000 asset limit to existing subsidized tenants may make approximately 68 tenants living in Housing York Inc. units ineligible for subsidy. Those tenants would be required to pay market rent, and their rent would increase on average by \$450, from \$600 to \$1,050 per month. The Region does not have access to household level data for subsidized households living in units owned and operated by community housing providers. Based on consultations with community housing providers and sample file reviews, the impact of an asset limit policy would be similar to that experienced by Housing York Inc.

An asset limit of \$150,000 is recommended for existing subsidized households

To mitigate adverse effects on existing subsidized households with high assets, staff recommend setting a \$150,000 asset limit for existing subsidized households. There are approximately 28 existing Housing York Inc. tenants with assets above the \$150,000 limit. All but one are seniors. It is anticipated non-profit and co-operative housing providers have similar household asset trends to Housing York.

Setting a higher asset limits for existing subsidized households than for wait list applicants would mitigate impacts of the new rule. Existing subsidized households were offered units under a set of rules that did not include asset limit. Permitting existing subsidized households to have up to \$150,000 in assets would respect the original arrangement in which they were housed, while at the same time introducing some fairness by removing subsidies from those households clearly able to afford market rents based on their asset levels. This approach may impact approximately 60 existing subsidized households, currently residing in Housing York, and in non-profit and co-operative housing communities funded by York Region.

An asset limit for existing subsidized households will impact the Region's ability to fulfill provincially mandated service level standards

The Region is mandated to provide approximately 4,000 rent subsidies. In 2017, the Region provided 4,007 rent subsidies.

Implementing an asset limit for existing subsidized households, could result in approximately 60 subsidized households losing their rent subsidy and their rent increasing to market rates. This would reduce the number of rent subsidies below the mandated level. The Region is required to make up the difference through other provincial programs, and will explore options like the portable housing benefit to increase the number of rent subsidies offered.

Other Regions have set asset limits policies that distinguish between applicants and subsidized households

The decision to have different eligibility rules for wait list applicants and households already receiving rent subsidies is not unprecedented among Service Managers. The Regions of Peel and Durham both have asset limit policies that distinguish between applicants and subsidized households.

- Durham Region introduced an asset limit policy, under the *Social Housing Reform Act, 2000*, that only applied to applicants, as grandfathering existing households was permitted under the *Social Housing Reform Act, 2000*. When Durham Region updated their asset limit policy under the *Housing Services Act, 2011*, Durham maintained the tenant grandfathering rule.
- In January 2017, Peel Region introduced a new asset limit policy that only applies to new wait list applicants. Current applicants and subsidized households were excluded from their asset limit policy.

Should Council approve the proposed asset limit for existing households (Attachment 2), implementation will begin on October 1, 2018. The asset limit of \$75,000 would apply to current and new wait list applicants and future subsidized households, and the asset limit of \$150,000 would apply to households already receiving subsidized rents.

The Province is committed to completing a rent-g geared-to-income simplification exercise as part of their Long-Term Affordable Housing Strategy Update and through their response to the Office of the Auditor General of Ontario report

During consultation on the Long-Term Affordable Housing Strategy, Service Managers asked the Province to permit different eligibility rules for wait list applicants and existing subsidized households. There will be an opportunity for the Province to address eligibility rules as part of their rent-g geared-to-income simplification commitment, although the timing of this work is not known.

To be fully transparent, it is recommended that the Regional Chairman write to the Minister of Housing informing them of the proposed eligibility rules and requesting a response by May 1, 2018 with any objections to the proposed direction.

RENT SUBSIDY INCOME LIMIT

The Region may establish an income limit for subsidized housing

The *Housing Services Act, 2011* allows the Region to establish income limit eligibility criteria for subsidized housing, provided the criteria fall within provincial parameters. Provincial parameters include:

- Income limits cannot be below the provincially prescribed household income limits. In York Region, the provincial income limit threshold is \$73,000. This number is based on the income required to support the area's average market rent if the household was paying 30 per cent of income on rent, and is updated annually
- Certain types of income must be excluded from the calculation of income when income limits are applied (e.g. certain disability related payments, lump sum insurance payments, death benefits, capital gains, loans/gifts, education payments related to scholarships and bursaries, etc.).

Establishing an income limit would restrict households with income above the limit from applying to the wait list and would remove applicants with high income from the wait list

An income limit may be set at different values for units of different types and sizes. Multiple income limits based on size is complicated for applicants and for administration of the applications. Applicants often add or remove members from their housing application, which changes their total household income, and may impact their eligibility to be on the wait list. Feedback from staff and housing providers was to take a simple and transparent approach to implementing an income limit.

Nine of the 47 Ontario Service Managers have adopted the provincially prescribed income limits as their income limit for subsidized units. Many Service Managers have not implemented an income limit, instead screening out high income applicants when the detailed income assessment is done, often at the time the unit is offered, to determine if the rent is equal to or less than 30 per cent of their income.

Implementing an income limit at the 40th income percentile could remove 119 applicants from the wait list

The Region already has a standardized approach to measuring and monitoring housing affordability targets in the [York Regional Official Plan - 2010](#). Households with incomes below the 40th income percentile, which was \$79,697 in 2016, are considered low-income and in need of affordable housing supports. The income threshold is updated annually.

It is recommended that the income limit for subsidized housing in York Region be set at the 40th income percentile (Attachment 3). This approach is consistent with the Regional definition of affordability in the Regional Official Plan and would ensure alignment with the [Region's Home Repair Program](#).

An income limit would remove applicants that do not qualify for a subsidy from the wait list. In 2017, there were 119 applicants on the wait list with self-reported household incomes above \$79,697. Of these, 75 are seniors.

Applicants with incomes above \$79,697 should be able to afford a rent of \$1,992 a month (30 per cent of their monthly income). According to Canada Mortgage and Housing Corporation's 2017 Rental Market Survey, average rents in York Region ranged from \$892 for a bachelor apartment to \$1,526 for a three bedroom unit.

An income limit would not affect existing subsidized households. Higher income renters would already be paying the market rent for their unit.

IMPLEMENTING ASSET AND INCOME LIMITS

A combined total of 2,542 applicants and approximately 60 existing subsidized households of Housing York Inc. and in community non-profit housing providers could be affected by asset and income limits

In 2017, there were 2,506 applicants on the wait list with assets over \$75,000, and 119 applicants with household incomes above \$79,697. Of these, 83 applicants declared both an income of \$79,697 or higher and assets over \$75,000. Accounting for this overlap, the combined total of applicants that could be affected by the proposed policies is 2,542.

Approximately 60 existing subsidized households of Housing York Inc. and community non-profit housing have assets over \$150,000 and would lose their rent subsidy.

The Region will engage and support applicants and households impacted by asset and income limits

Implementation is recommended beginning October 1, 2018. The implementation plan includes:

- Developing a communication and engagement plan to support current and future applicants and existing subsidized households impacted by the implementation of income and asset limits to ensure they are appropriately advised, supported and connected to available resources. The website and other communications will be updated.
- Informing applicants and subsidized households of their right to request a review of the Region's decision regarding their eligibility for subsidy
- Establishing an internal Social Housing Modernization Working Group to guide implementation decisions
- Establishing new indicators and metrics to improve data collection and reporting of client-centred performance measures

As implementation plans move forward, staff will continue to monitor best practices and research to ensure a more coordinated and outcome focused approach to managing the subsidized housing wait list.

REFUSALS OF RENT SUBSIDIZED UNITS

The *Housing Services Act, 2011*, requires that each applicant be given three offers of a rent subsidy, and only if they refuse all three offers are they removed from the subsidized housing wait list

When people apply for subsidized housing, they are asked to indicate which housing buildings they would like to live in, and this list can be regularly updated. Before the unit is offered, building selection choices are confirmed.

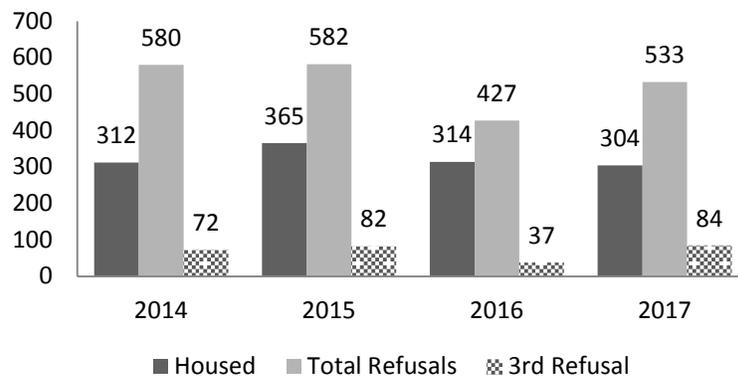
Despite that applicants can select buildings they are interested in, and the Region's Move-in Ready program (discussed below), on average 530 offers are refused each year. In 2017, 533 or four per cent of applicants refused an offer, and of them, refusals were by special priority applicants.

There are a number of reasons applicants refuse an offer including that they do not prefer the location of the unit, or feel the unit offered is too small, or that there was no response when contacted, or the applicant is not ready, or able to move when

contacted. Figure 3 provides a comparison of the number of offers refused, the number of applicants housed and the number of applicants removed from the list due after refusing three offers.

Figure 3

Number of applicants housed and offers refused



The offer and refusal process is prescribed by the Province. When a subsidized vacancy occurs, housing providers, including Housing York Inc., are required to contact the first applicant on the subsidized housing wait list and offer them the unit. The offer process involves setting up unit viewings, and reviewing the household's ability to pay rent and their eligibility for rent subsidy. The rent-up process is lengthy, and often takes more than a month to complete.

Each time a unit is refused, it adds additional time to the rent-up process resulting in vacant subsidized housing units

There is no flexibility in the *Housing Services Act, 2011* to reduce the number of rent subsidy offers. Vacancy loss caused by refusals has financial implications for the Region, as the Region funds housing provider vacancy loss. Further, the refusal process results in subsidized units being vacant, despite the high demand. Applicants are provided with sufficient opportunities to decide in advance which buildings they wish to occupy, and presumably applicants who need rent subsidies to afford housing should be able and willing to accept housing when it is offered.

It is recommended that the Regional Chair write to the Minister of Housing requesting that the number of refusals be limited, and preferably that no refusals be permitted.

As context for this request, the Province also regulates access to long term care (LTC) beds which provide subsidized housing for people with significant support needs. Like subsidized housing, the supply of units is limited relative to demand and, therefore, a wait list is maintained. Eligible applicants may select up to five LTC homes that they would be prepared to move into, and may change the homes they have selected while they are waiting. However, unlike subsidized housing which permits three refusals, when a LTC bed becomes available in a building they have selected, no refusals are permitted. If the applicant turns down the bed offered, they are removed from the wait list, and must wait six months before they may re-apply to the wait list. The goal is to ensure that wait lists are maintained for those who are in need of long term care and who are ready to move into a long term care home. The same goal is reasonable for subsidized housing.

The Auditor General took issue with the *Housing Services Act*, 2011 requirement that Service Managers provide applicants with three opportunities to refuse a rent subsidy offer

The Auditor General found that some applicants refuse an offer on the basis of not being ready to move, not liking the building aesthetically, or not liking the area. According to the Auditor General such refusals indicate the applicant may not be in great need of housing.

The Ministry of Housing responded to the audit, accepting the recommendation and stating the *“current wait list systems do not always best reflect who is in greatest housing need and do not always work optimally to match people with housing needs to the most appropriate form of assistance. The Ministry has committed to a more co-ordinated, effective access system as part of the update to the Long-Term Affordable Housing Strategy. The Ministry will incorporate this recommendation into its continued work on access system improvements. This will include developing options for a needs-based eligibility and prioritization process to better match subsidies to households with the greatest need, and considering whether a more consistent province-wide approach to asset limits should be established.”* (Office of the Auditor General of Ontario, 2017 Annual Report, p. 724)

Resources have been refocused to better match applicants with anticipated rent subsidy vacancies through a new process called “Move-in Ready”

Often after waiting many years for a subsidized unit the applicant’s needs have changed and they are unprepared to move quickly when they are offered a unit.

Move-in Ready was introduced as a pilot in 2015. The process involves engaging with applicants before they are offered a rent subsidy. Working with the applicant, the Region confirms their building selection choices, provides details on the units

and building amenities, confirms the applicant's rental needs, reviews their eligibility for a rent subsidy and identifies any issues that would preclude them from moving, such as recently signing a one-year lease. This unique, one-on-one approach is aimed at ensuring they will be offered a unit that meets their needs, prepares them to accept a unit when it is offered, and helps to reduce refusals.

As a pilot, Move-in Ready has had some success in reducing the need to make multiple offers to applicants in the buildings where it has been implemented. Between 2015 and 2016, the number of offers declined by 26 per cent (from 582 to 427). However, almost three-quarters of applicants refused units when offered despite the additional support York Region provides.

Modernization of the subsidized housing wait list supports a number of strategic plans

Implementing rent subsidy asset and income limits rules supports achieving strategic Regional objectives:

- [Vision 2051](#) – York Region has housing to match the needs of its residents and workers; housing choices support affordable and sustainable living and address the needs of diverse and aging population
- [Official Plan 2010](#) – to promote an appropriate mix and range of acceptable housing to meet the needs of residents and workers
- [2015 to 2019 Strategic Plan](#) – to increase the range of available and affordable housing choices in support of the Region's community health and well-being strategic priority
- [Housing Solutions: A place for everyone](#), York Region's 10-Year Housing Plan – sustain the existing rental housing supply

In [November 2016](#), Council approved the York Region *Seniors Strategy*. Council endorsed four key roles and numerous action areas to support York Region in planning for the future needs of our aging population and ensure the needs of all residents are balanced.

The income and asset limit policies aligns to two of the four key roles set out in the Region's [Seniors Strategy](#).

- Balancing the needs of seniors with other residents and establishing options for eligibility for programs and services based on income levels, assets, user fees, loans vs. grants and private contributions
- Connect seniors and caregivers to the right programs and services at the right times

Through the work of the Seniors Strategy and the Human Services Planning Board, the Region will advocate for an increase in income supports, appropriate home and community care supports, and funding for housing services and affordable housing options.

5. Financial Considerations

Modernizing the subsidized housing wait list, including the implementation of both asset and income limits, will allow the Region to direct its resources to better support applicants with greater needs, target limited housing resources, and support development of mix-income communities.

6. Local Municipal Impact

There are residents from all nine municipalities that are eligible to apply for or are on the Region's subsidized housing wait list. The proposed asset and income limits would allow the Region to allocate limited housing resources to appropriate level of need.

7. Conclusion

The Region's subsidized housing wait list has grown significantly to over 14,500 households in 2017. The limited supply of market and affordable rental housing options, along with the rising cost of homeownership in the Region, has contributed to this growth. Modernizing administration of the wait list is required to ensure that the Region's limited housing resources are targeted to York Region residents most in need and to better align client's needs with a broader range of support and services. A number of administrative changes to the subsidized housing wait list have been implemented to achieve these goals. Implementing an asset limit of \$75,000, an income limit at the 40th income percentile, and not permitting refusals when subsidized units are offered, would further assist the Region in targeting limited housing resources.

Prior to moving forward on implementation in October 2018, the Province will be informed of the Region's intentions to modernize the subsidized housing wait list and request the Minister communicate any objections to the proposed directions by May 1, 2018.

Staff will update Council in 2019 with more detailed information on wait list applicants and any additional modernization recommendations.

Modernization of the Subsidized Housing Wait List

For more information on this report, please contact Rick Farrell, General Manager, Housing Services at 1-877-464-9675 ext. 72091.

The Senior Management Group has reviewed this report.

February 16, 2018

Attachments (3)

#8201610

Accessible formats or communication supports are available upon request

Eligibility Rule for Subsidized Housing

Subject	Asset Limit Eligibility Rule for Subsidized Housing
Effective Date	October 1, 2018
Purpose	To establish an eligibility rule setting a maximum asset limit for households that are applying to or have a current application on the Region's subsidized housing wait list.
Legal Authority	Section 42 of the <i>Housing Services Act</i> , 2011 Section 35 of Ontario Regulation 367/11
Background	The <i>Housing Services Act</i> , 2011 provides the Regional Municipality of York, as Service Manager, with authority to establish an eligibility rule that sets a maximum asset limit for a household to be eligible for a rent subsidy.
Asset Limit	The asset limit for current applicants and future households is \$75,000. All excluded assets are listed in Section 35(5) of Ontario Regulation 367/11 and are updated from time to time by the Ministry of Housing. In addition, the Region considers a Registered Retirement Saving Plan an excluded asset. Other examples of excluded assets include a car, furniture, tools, and jewelry. Examples of included assets are equity realized from real estate, non-registered investments and savings accounts.
Policy Review	The asset limit will be reviewed every five years and updated, as needed.

Application

Subsidized Housing Waiting List Applicants

This eligibility rule applies to households that are applying for or waiting on the Region's Subsidized Housing Wait List to receive a rent subsidy.

Applicants ineligible for the wait list due to high assets may reapply for subsidized housing by submitting a new application if their circumstances change.

Existing Subsidized Tenants and Members

This eligibility rule applies to tenant and member households receiving a rent subsidy.

Households no longer eligible for a rent subsidy may be eligible have their subsidy reinstated if their circumstances change within the first 12 months of the change.

Grandfathering

Households that were receiving a rent subsidy on the day this policy came into effect and had assets above \$75,000 remain eligible for a housing subsidy as long as their assets do not exceed \$150,000

Review

Households may request a review of the Region's decision regarding:

- eligibility to be on the Subsidized Housing Wait List
- eligibility to receive a rent subsidy

Eligibility Rule for Subsidized Housing

Subject	Asset limit rule for tenants and members receiving a rent subsidy on October 1, 2018
Effective Date	October 1, 2018
Purpose	To establish a continuing eligibility rule setting a maximum asset limit for tenants and members that are receiving a rent subsidy and had assets above the \$75,000 on the day the Asset Limit Eligibility Rule for Subsidized Housing came into effect.
Background	<p>The Asset Limit Eligibility Rule for Subsidized Housing is intended for applicants on the subsidized housing wait list and future tenants and members.</p> <p>This policy prescribes an asset limit for tenants and members receiving a rent subsidy on the day the Asset Limit Eligibility Rule for Subsidized Housing policy came into effect. This policy is meant to mitigate the unintended negative impact the eligibility rule may have on existing subsidized tenants, members and community non-profit housing providers.</p>
Asset Limit	The asset limit for tenants and members receiving a rent subsidy on October 1, 2018 is \$150,000.

Determination of Asset Limit

Excluded assets are listed in Section 35(5) of Ontario Regulation 367/11 and are updated from time to time by the Ministry of Housing. The Region also considers a Registered Retirement Saving Plan an excluded asset. Other examples of excluded assets include a car, furniture, tools, and jewelry.

Examples of included assets are equity realized from real estate, non-registered investments and savings accounts.

Application	This eligibility rule applies only to tenants and members that were receiving a rent subsidy on the day the Asset Limit Eligibility Rule for Subsidized Housing came into effect. For these households, the asset limit will be \$150,000. Tenants and members with assets above \$150,000 will become ineligible for a rent subsidy following a regular review of their rent subsidy eligibility.
--------------------	--

Policy Review

This policy shall sunset on the day that the last eligible tenant no longer receives a rent subsidy.

Review

Tenants and members receiving a rent subsidy on the date that the asset limit policy comes into effect may request a review of the Region's decision regarding their eligibility for continued rent subsidy.

Eligibility Rule for Subsidized Housing

Subject	Income Limit Eligibility Rule for Subsidized Housing
Effective Date	October 1, 2018
Purpose:	To establish an eligibility rule setting a maximum income limit for households that are applying to or have a current application on the Region's Subsidized Housing Wait List.
Legal Authority	Section 42 of the <i>Housing Services Act, 2011</i> Section 34 of Ontario Regulation 367/11
Background	The <i>Housing Services Act, 2011</i> provides the Regional Municipality of York, as Service Manager, with authority to establish an eligibility rule that sets a maximum income limit for a household to be eligible for rent subsidy.
Income Limit	<p>The income limit is set at the 40th income percentile of incomes for York Region.</p> <p>The income limit will be updated annually as part of the Region's annual measuring and monitoring affordability exercise and published on the Region's website www.york.ca</p> <p>The most recent update to the income limit will apply to all applications and eligibility reviews made after the date of the update.</p>
Determination of Income Limit	<p>The income level is determined at the time of initial application to the wait list and during the application update process.</p> <p>Income is defined in the <i>Housing Services Act, 2011</i>. Excluded income sources are listed in Section 50 of Ontario Regulation 298/01, as updated from time to time by the Ministry of Housing.</p>
Application	<p>This eligibility rule applies to households that are applying for or waiting on the Region's Subsidized Housing Wait List.</p> <p>Applicants ineligible for the wait list due to high income may submit a new subsidized housing application if their financial circumstances change.</p>

Review

Applicants may request a review of the Region's decision regarding their eligibility to be on the Subsidized Housing Wait List.



Modernization of the Subsidized Housing Wait List

Presentation to
Committee of the Whole
(Refer to Item G.2.1)

Rick Farrell, General Manager, Housing Services
March 1, 2018

Purpose:

- Recommend eligibility rules to limit access to rent subsidy programs and better target resources to residents most in need
- Opportunities:
 - Set an income limit
 - Set an asset limit
 - Request changes to the Provincial rent subsidy offer process

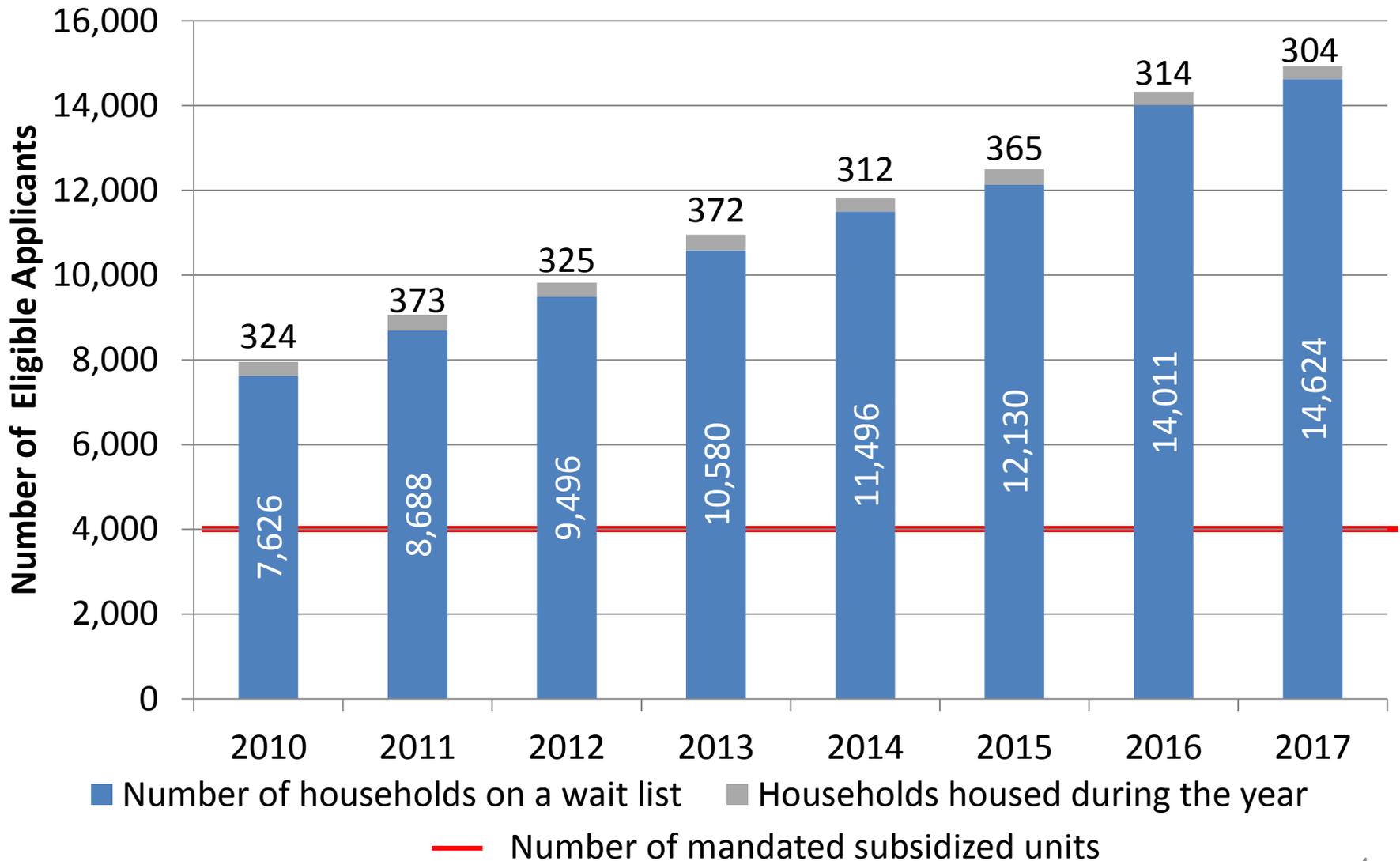
Agenda:

- Legislative Requirements
- Wait List 101
- The Case for Change
- Recommendations, Rationale and Impacts

Legislative Requirements

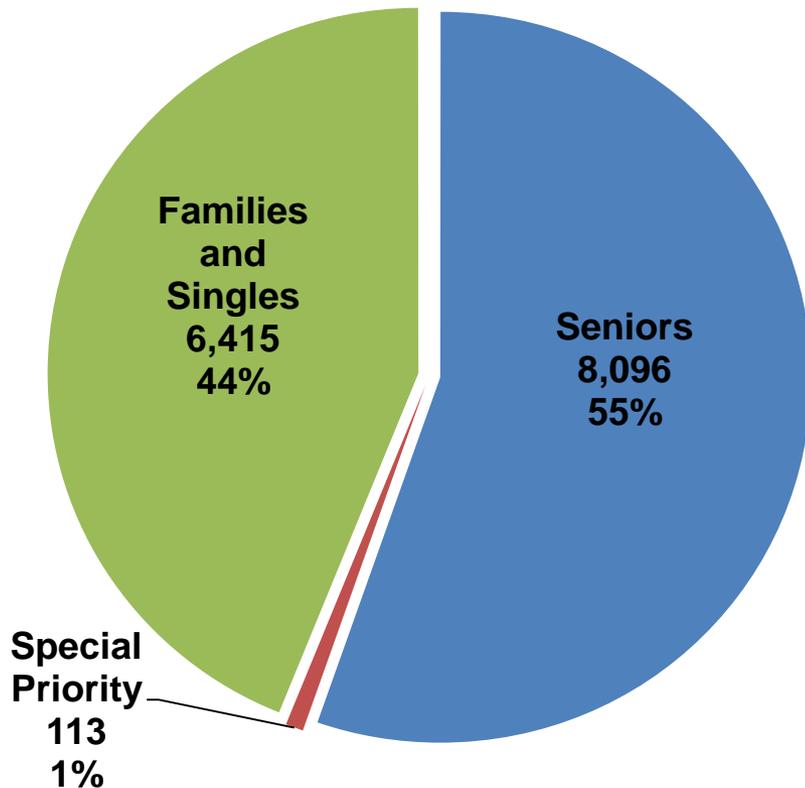
- Maintain a centralized wait list system
- Follow prescribed criteria for approving and removing applicants
- Update applicant information at least every 24 months
- Maintain a special priority category
- Provide rent-gearred-to-income subsidy following prescribed legislation

Wait list for Subsidized Housing (p.177)

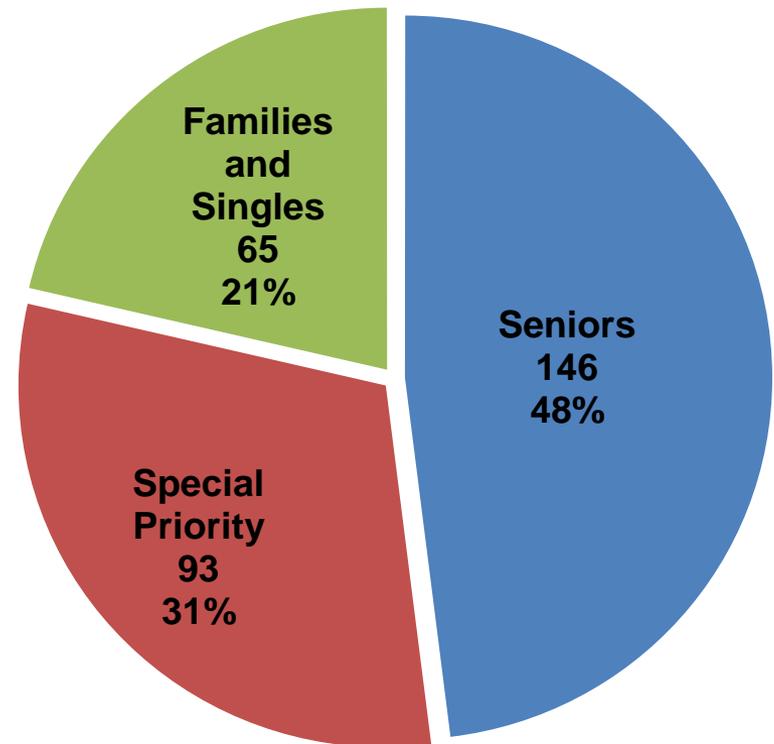


2017 Wait List Overview

Who is on the wait list



Who got housed (p.178)



Current and Planned Actions

Current:

- Modernized intake through a partnership with Access York
 - Divert applicants by connecting them to programs and services
 - Redirect resources and provide more client services
- Implemented a Move-In Ready process

In 2018:

- Implement eligibility rules to reduce access to rent subsidy programs (Rec. 2 and 3)
- Engage the Province to consider reducing offers of subsidized housing (Rec. 4)
- Complete an in-depth wait list analysis to better understand client needs

Ontario Auditor General's Report

In December 2017, Ontario's Auditor General issued 15 recommendations for the Ministry of Housing

Recommendation #2 - "To better ensure that limited resources are used to help households with the highest need, we recommend that the Ministry of Housing work with municipal service managers on developing a new needs-based eligibility and prioritization process that incorporates relevant information, such as assets owned by applicants, when deciding who should receive social housing subsidies"

Approach to Developing our Recommended Income and Asset Limits

1. Environmental scan, including: (p.182)



2. Wait list and tenant analysis

3. Consultation with internal partners and community non-profit housing providers

Income Limit (Rec.3)

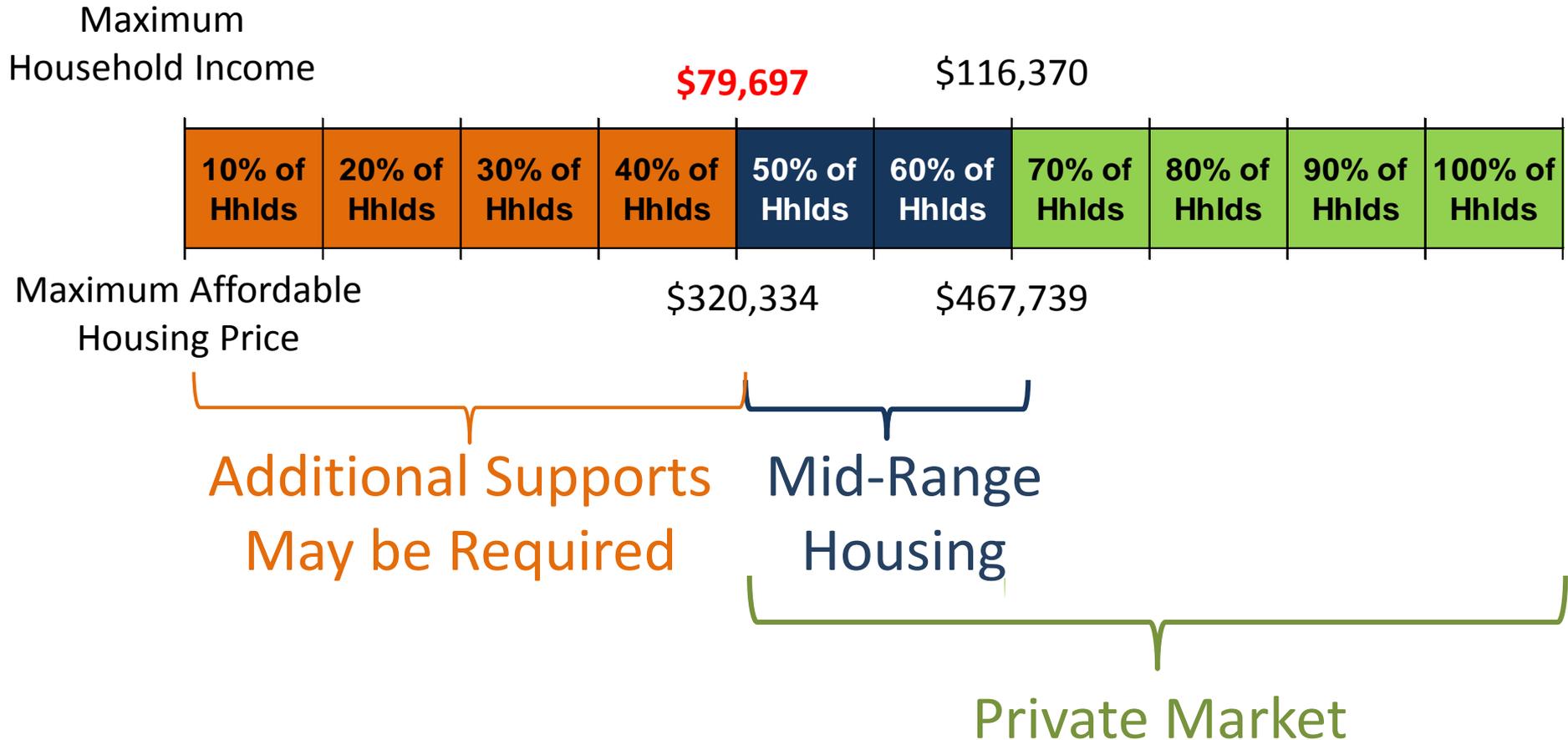
Current:

- Applicants are not income tested when applying for the wait list
- Applicants with any level of income may remain on the wait list
- High income applicants apply to the wait list for future planning
- Applicants with high income will not be offered a rent subsidy unless their income decreases

Recommendation:

- Income limit be set at the **40th income percentile** of Region's affordability measure
- \$79,697 in 2016
- Updated annually through the Region's measuring and monitoring affordability exercise

Region's Affordability Measure



Income Limit (Rec.3)

Recommendation:

- Income limit be set at the **40th income percentile** of Region's affordability measure
- \$79,697 in 2016
- Updated annually through the Region's measuring and monitoring affordability exercise

Opportunities:

- Needs based wait list
- Fewer applications = less administration
- Alignment with the Region's Home Repair Program

Risks:

- Approximately **100 applicants** with high income will be removed from the wait list

Asset Limit (Rec.2)

Current:

- No asset limit
- Applicants with any asset value may apply for the wait list
- Applicants with assets may be housed and receive a rent subsidy

Recommendations:

- Asset limit of \$75,000 (Rec. 2a)
- Will impact:
 - Future applicants
 - Current wait list applicants
- Asset limit of \$150,000 for existing subsidized households (Rec. 2b)

Opportunities:

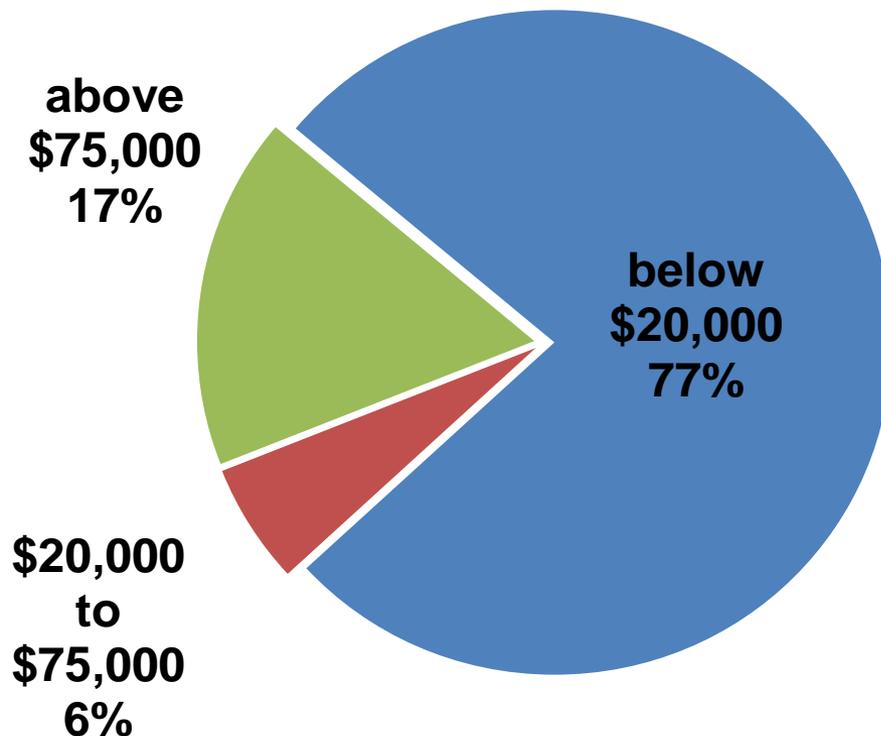
- Needs based wait list
- Fewer applications = less administration

Risks:

- Applicants may deplete assets before being housed

Asset Limit Impact: Applicants (Rec.2a)

Applicants with Assets



Quick Facts

Asset data is currently self-reported

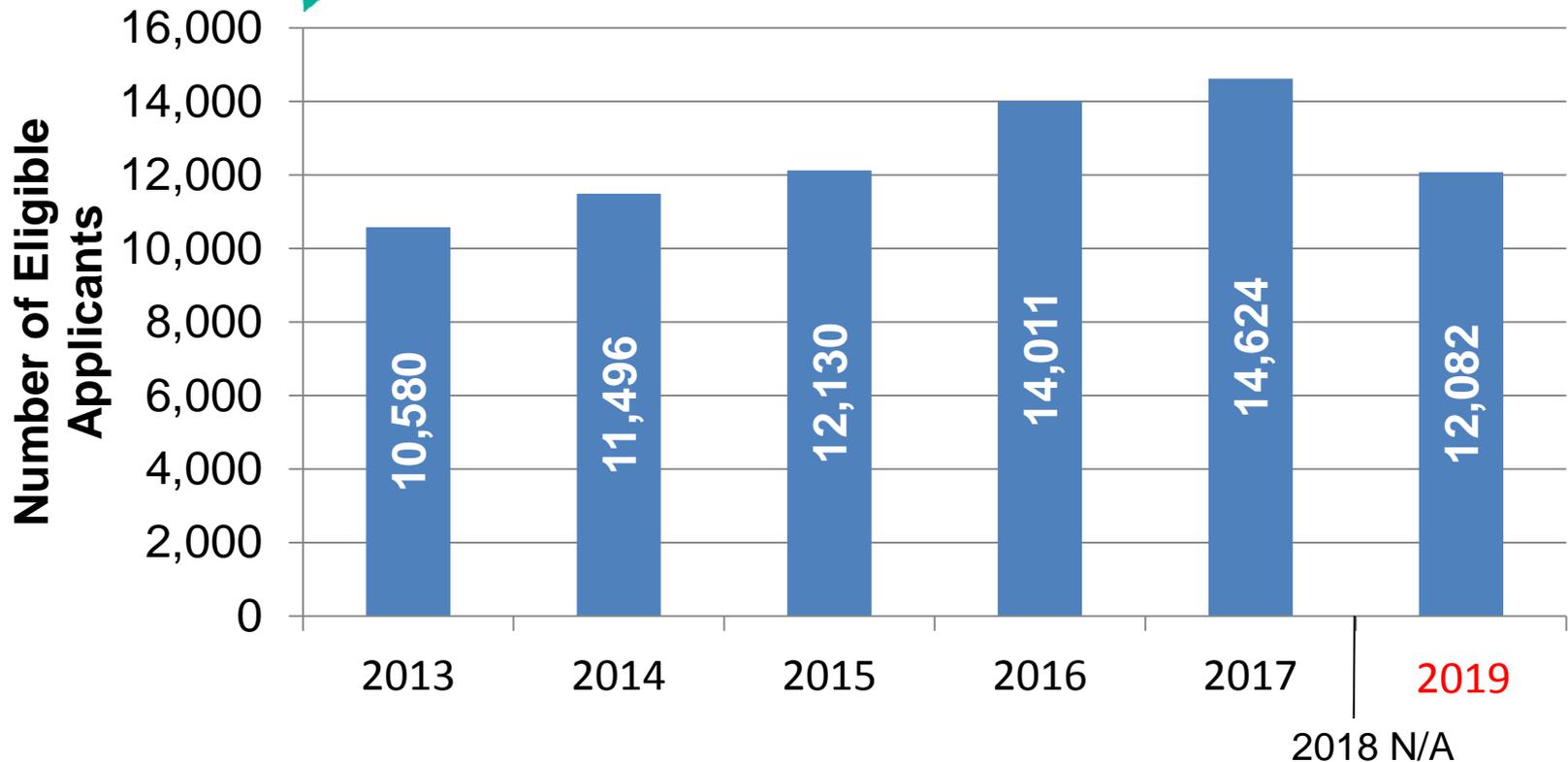
84% of applicants with assets above \$75,000 are seniors

90% of seniors with assets above \$75,000 own real estate

Applicants report the approximate value of the home, not the equity

Asset Limit: Anticipated Outcomes

Income and asset limits could reduce the wait list by over 2,500 applicants



Source: Subsidized Housing Wait List records, December 2017

Asset Limit: Subsidized Households (Rec. 2b)

- A \$75,000 asset limit could make 68 Housing York subsidized tenants ineligible for rent subsidies

Asset Range	No. Existing Tenants
\$75,000 to \$100,000	22
\$100,001 to \$150,000	18
Above \$150,000	28
Total	68

- Community non-profit housing providers would be similarly impacted

Housing York Quick Facts

96% of tenants with over \$150,000 are seniors

The average rent for tenants with assets is \$600 per month

Their rent could increase on average by \$450

Asset Limit Impact: Subsidized Households (Rec. 2b)

Recommendation:

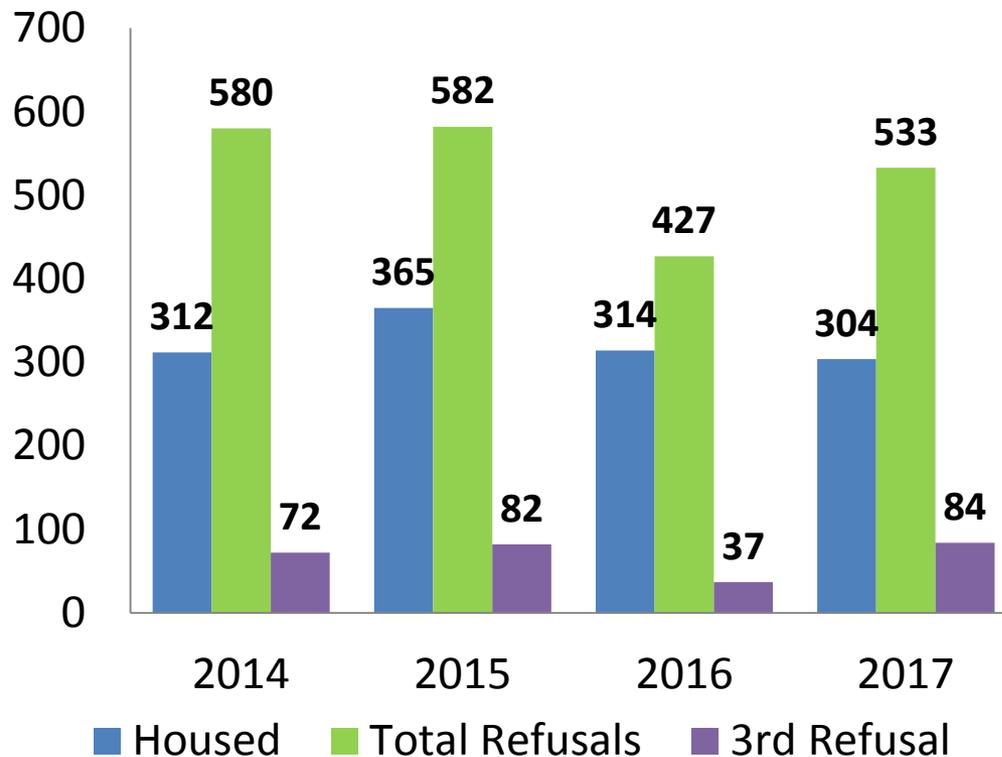
- Existing subsidized households be eligible to have a maximum asset value of \$150,000
- Any subsidized tenant with over \$150,000 in assets would be made ineligible for subsidy

IMPACT

Approximately **60** subsidized households in Housing York Inc. and non-profit housing communities would be made ineligible for a rent subsidy. The majority of these households are seniors.

Requesting changes to the Provincial rent subsidy offer process (Rec.4)

Applicants can refuse three offers of subsidized housing before being made ineligible



Quick Facts

On average 530 offers are refused each year

On average only 69 applicants are removed from the wait list for refusing three offers per year

Refusals result in vacancy loss. Current process is costly and administratively onerous

Next Steps

Subject to Council Approval:

- Inform the Minister of Housing of the Region's approach to setting income and asset limits
- Request the Minister of Housing amend the *Housing Services Act*, to permit one rent subsidy offer before being removed from the wait list
- Begin implementation of asset and income limits in October 2018, through a phased in approach
 1. New applicants – October 1, 2018
 2. Current applicants – January to March 2019
 3. Existing Subsidized Households – throughout 2019

Recommendations

1. The Regional Chair write to the Minister of Housing requesting the Minister to respond by May 1, 2018 with any objections to proposed eligibility rules, and advising that should no objection be received by May 1, 2018, the eligibility rules will be deemed approved by Council and will be implemented beginning October 1, 2018.
2. Subject to any objections received from the Minister of Housing, Council approve the following eligibility rules, effective May 1, 2018:
 - a. The eligibility rule for applicants and future households shall include a rent subsidy asset limit of \$75,000 effective October 1, 2018, as set out in Attachment 1.
 - b. The eligibility rule for existing households receiving subsidized rents shall include a rent subsidy asset limit of \$150,000 commencing October 1, 2018 as set out in Attachment 2.

Recommendations

3. Council approve an eligibility rule setting an income limit at the 40th income percentile effective October 1, 2018, as set out in Attachment 3.
4. The Regional Chair write to the Minister of Housing requesting the Minister to amend requirements of the *Housing Services Act, 2011* and its related regulations that require housing providers to offer prospective rent subsidy households the right to refuse three housing offers before being removed from the housing waiting list, to permit no refusals.