

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
Your File/V/Réf.

DATE 3 April 1997

TO/DEST. Community Services Committee

FROM/EXP. Co-ordinator, Community Services Committee

SUBJECT/OBJET **OUR HOMES/CHEZ NOUS POSITION RE: THE PROVINCIAL
PROPOSAL TO DOWNLOAD SOCIAL HOUSING TO
MUNICIPALITIES**

REPORT RECOMMENDATION

That the Community Services Committee receive this report for information.

BACKGROUND

Attached is documentation from Our Homes/Chez Nous - Coalition to Protect Social Housing in Ottawa-Carleton.

Councillor Alex Cullen has asked that this matter be brought to the Community Services Committee for information.

*Approved by
Monique Beauregard*

Attach. (1)



Our Homes Chez nous

Our Homes/Chez nous position re. the Provincial proposal to download social housing to municipalities

1) Our Homes/Chez nous - who we are:

Our Homes/Chez nous: Coalition to protect Social Housing in Ottawa-Carleton was formed in February 1996 in response to the Provincial Government's plans to privatize public housing. It is made up of members active in social housing, from public housing tenants to social housing providers to social service agencies to municipal politicians. We have been active in lobbying both local, provincial and federal politicians, in informing social housing tenants, and in co-ordinating information and activities among the different social housing groups, from public housing to municipal and private non-profit housing to co-operative housing. We come together because we believe that the provision of affordable, accessible social housing is an important part of Canada's social safety net for the elderly, disabled, single parent family, and poor in our community.

2) The Status of Social Housing in Ottawa-Carleton:

Ottawa-Carleton has about 8,600 public housing units owned by the Ontario Housing Corporation (managed through the Ottawa-Carleton Housing Authority - a provincial agency), plus 6,700 units owned by municipal non-profit housing corporations (i.e. Ottawa's City Living, Nepean Non-Profit Housing Corporation, Gloucester Non-Profit Housing Corporation, etc.), plus private and co-op non-profit housing - totaling over 20,000 socially-assisted housing units in Ottawa-Carleton, housing over 50,000 people. Tenants are required to meet a means test, and the rents charged are geared to income. All social housing units pay property taxes in Ottawa-Carleton (estimated over \$30 million a year).

Currently in Ottawa-Carleton there is a waiting list of about 9,000 families qualified for socially-assisted housing. According to the 1991 Census, some 94,000 people in Ottawa-Carleton fall under the Statistics Canada *Low Income Cut-Offs* (i.e. below \$14,155 annual income for a single person; \$19,187 for two; etc.), 13.9% of the region's population. There are also 53,165 households in Ottawa-Carleton paying more than 30% of their gross (before taxes) income on shelter (20.7% of RMOC households), qualifying them for social housing.

Social housing has been funded over the years through a variety of programs, some municipal/provincial/federal, some social housing provider/federal, some social housing provider/provincial, with varying combinations of operating subsidy, mortgage subsidy, land ownership, rental mix, etc. However, the dominant characteristics are federal/provincial subsidies to permit rent-geared-to-income for low-income tenants - the elderly, disabled, single-parent families, etc. - to live in housing they can afford.

3) The Issues - the Federal Government:

Last March 1996 the Federal Government announced that it would devolving its responsibility for social housing to the provinces, and initiated negotiations with the provinces. The Federal Government, through Minister Diane Marleau, Minister responsible for Canada Mortgage & Housing Corporation, has committed that the federal dollars for social housing would remain targeted to social housing (i.e. not be diverted to other uses), but has made no conditions on how these dollars are to be spent within social housing. Currently, negotiations between Ontario and Canada are moving slowly, with no prospect of an agreement before the expected federal election.

Our Homes/Chez nous is concerned that the federal dollars continue to fund rent-geared-to-income housing, as this is what makes social housing affordable to its client groups. To break this link will put pressure on other agencies, including municipalities, to fill that gap to house these tenants. Therefore, *Our Homes/Chez nous* is asking Council to pass the following motion and send it to the Federal Minister responsible for C.M.H.C., and the Federal Minister of Finance, with copies to local area Members of Parliament and the Federation of Canadian Municipalities:

Whereas the Government of Canada is currently negotiating with the Government of Ontario over the responsibility and funding of social housing;

Whereas to maintain the affordability and accessibility of social housing to its tenants, federal dollars should continue to ensure that rent continues to be based on income;

Therefore be it resolved that the Regional Municipality of Ottawa-Carleton request the Government of Canada to set conditions in devolving its social housing responsibility to the provinces to ensure that social housing tenants continue to pay their rent based on their income.

4) The Issues - the Provincial Downloading Proposal:

Should municipalities accept both management and funding responsibilities for social housing, as proposed by the Provincial Government, they will be responsible for:

1. Management of some 20,000 social housing units governed by a myriad of funding arrangements and providers in Ottawa-Carleton, including determining eligibility requirements, rent policies, upkeep and renovations;
2. Financing from the property tax base the required subsidies to maintain the accessibility/affordability purpose of this housing for its client groups;
3. Financing the required capital improvements/renovations as this housing stock ages (public housing has no capital reserves in Ontario); and
4. Meeting from the property tax base any new demands for social housing in Ottawa-Carleton (note that currently 9,000 families in Ottawa-Carleton are waiting for social housing).

We agree with the Association of Municipalities of Ontario (AMO) that property tax should not fund income redistribution programs, including social housing. We are concerned that, should social housing become a municipal responsibility, not only will municipalities be forced to raise rent-gear-to-income ratios, thereby impoverishing further the poor, but will set eligibility standards in response to migration of social housing clients from other municipalities, creating a "checkerboard" Ontario effect for social housing. We believe that the Provincial Government's proposals are bad for both municipalities and for the people who need the affordable/accessible shelter that social housing provides.

Therefore, *Our Homes/Chez nous* is asking Council to pass the following motion and send it to the Ontario Minister of Housing, the Premier of Ontario, and the Ontario Finance Minister, with copies to local area M.P.P.s and to AMO:

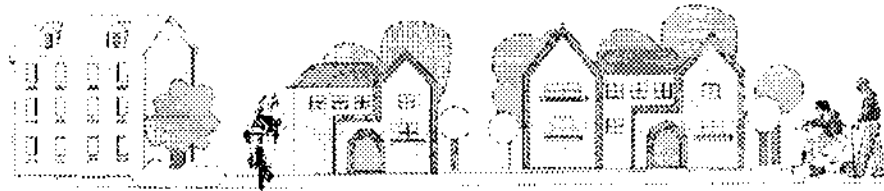
Whereas social housing is an important part of society's safety net, providing affordable and accessible housing for those in need, including the elderly, the disabled, single-parent families, and the poor;

Whereas property tax is inappropriate as the means to finance accessible/affordable social housing;

Therefore the Regional Municipality of Ottawa-Carleton request the Government of Ontario to withdraw its proposal to off-load the responsibility and funding of social housing to municipalities;

And that the Government of Ontario consult with social housing providers and other interested agencies to determine the most efficient and cost-effective means of providing social housing to Ontario's needy.

Coalition to Protect Social Housing in Ottawa-Carleton



Coalition pour la sauvegarde du logement social d'Ottawa-Carleton

Our Homes Chez nous

February 17, 1997

The Hon. Al Leach, M.P.P.
Minister of Municipal Affairs & Housing
17th Floor, 777 Bay St.
Toronto M5G 2E5

OPEN LETTER

Dear Minister,

Re. Proposed Devolution of Social Housing from the Provincial Government to Municipal Governments

On behalf of the *Our Homes/Chez nous: Coalition to Protect Social Housing in Ottawa-Carleton*, I am writing to express our opposition to the Provincial Government's plan to devolve both responsibility and funding for social housing to municipal governments. We know that this move will threaten the security of social housing tenants to affordable social and public housing, and lead to the fragmentation of this important element of our social safety net.

The *Our Homes/Chez nous Coalition* is made up of representatives from public housing, tenant groups, municipal and private non-profit housing providers, and housing co-operatives. We came together more than a year ago to respond to the Government's misguided election promise to privatize public housing. We were able to show, through releasing the Citibank proposal to the Government on privatization of public housing, that selling-off this important public asset would either cost the Government more in subsidies to cover market rents, or raise rents to market levels beyond the reach of public housing tenants.

The current proposal to off-load both the management and provincial funding of social housing places municipalities in an untenable situation, as, together with the other "mega-week" devolution proposals, they will find it difficult not only to fund operations from property taxes (estimates provided by the Regional Municipality of Ottawa-Carleton indicate that for social housing alone, property taxes would increase between \$160 to \$250 a home), but they will also have to fund future capital costs for renovations for the aging housing stock. They will be in no position to finance any expansion of affordable social housing, despite the growing and urgent need. In Ottawa-Carleton alone, we have over 9,000 families on waiting lists for affordable social housing.

Municipalities will be reluctant to raise property taxes to cover the costs of social housing, and will, we believe, start looking to social housing tenants to make up the difference, which means higher rents for tenants. This attacks the rent-geared-to-income principle upon which this housing is built - a fundamental tenet of the social safety net.

As well, relying on property taxes to fund social housing will create a "checkerboard" Ontario, as municipalities vary in their property tax bases. This will lead to migration from "have-not" municipalities to "have" municipalities by those in search of affordable housing to raise their families. We do not accept imposing this system of social injustice, and call upon your Government to reconsider and revoke this proposal.

Lastly, we understand that the Association of Municipalities in Ontario have rejected the Government's off-loading proposals for welfare, health and social housing, on the basis that property taxes are not designed to finance income redistribution programs. We concur with the AMO position. We believe that, while the Provincial Government may have a mandate to address the provincial deficit, it does not have a mandate to thoughtlessly destroy the social safety net that Ontarians have spent so many years building to protect the vulnerable in our society.

Therefore, we urge you and your Government to reconsider and revoke the proposal to off-load responsibility for social housing to municipal governments - it is bad for social housing tenants and property taxpayers. If your Government wishes to examine alternative management models for social housing, we urge you to consult with tenants and housing organizations in reviewing these models - we would be happy to participate.

Yours truly,

A handwritten signature in black ink, appearing to read "Dan McIntyre", with a long horizontal line extending to the right.

Dan McIntyre
Chair

Our Homes/Chez nous Coalition