



Amendments to the Housing Services Act, 2011 Related to Social Housing Waiting Lists

Prepared by:
Garima Talwar Kapoor and Hannah Aldridge

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To the Ontario Ministry of Municipal Affairs and Housing regarding proposed amendments to Ontario Regulation 367/11 made under the Housing Services Act:

Maytree has been dedicated to creating solutions to poverty since 1982. We work with governments, researchers, the non-profit sector, and community organizations to build strong and vital communities. We welcome the opportunity to comment on the proposed amendments related to Social Housing Waiting Lists.

Context

On April 17, 2019, the Ontario government launched its Community Housing Renewal Strategy to sustain, repair, and grow Ontario's community housing system, and make it work better for the people it serves. We were pleased to see the government commit a specific strategy to housing that is intended to serve those who are not adequately housed through the private market.

The strategy recognizes the chronic shortage of social housing and includes proposed regulation changes to the social housing waiting list which aim to simplify existing systems that limit our ability to maximize the use of such a limited and valuable resource.

The primary reason the social housing waiting list is growing is that fewer people are able to find suitable accommodation in the private market, while investment in affordable housing has not kept pace with need. The strategy itself highlights that between 1991 and 2016 the share of households needing assistance increased from 12 to 15 per cent.

Maytree's comments refer to proposed changes to tenant transfers and the refusal allowance, as well as potential changes to asset limits.

We welcome efforts to simplify the existing waiting list system to ensure that social housing is used as efficiently as possible to house those in greatest need. But we caution against regulation changes that reduce the waiting list without improving the housing outcomes of those in need. We also suggest alternative options which would both make better use of social housing and improve the experience of those on the waiting list.

Tenant transfers

We welcome the government's proposal to help social housing tenants applying for a transfer to move to a unit with another provider. This would make it easier for existing tenants to move to a property that is better suited to their needs and for those on the waiting list to access housing, thereby maximizing the use of social housing. For example, the proposed regulation would make it easier for someone with a spare bedroom to move to a smaller unit with another housing provider, enabling a larger family on the waiting list to access a suitably sized, affordable home.

Refusal allowance

Everyone in Ontario should have housing that is appropriate for their needs, with security of tenure, at a price they can afford. Social housing plays a crucial role in providing this to those not served by the private market. Affordability and security of tenure are built into the design of social housing tenancies.

But, while a household will only be offered social housing that meets minimum standards and has enough bedrooms for its size, units offered may not be appropriate in other ways (for example, the unit offered could be far from the services the household depends on).

Under the current system, there are two safeguards to ensure that the units households move into are appropriate for their needs. The first is when households initially apply to be on the waiting list and they identify which areas and buildings they would like to be considered for. The second is when households reach the top of the list and are offered units to live in. At this stage, households can refuse up to three social housing offers before they become ineligible. These two aspects of the current system introduce some form of choice, albeit very limited, to lower-income households.

The proposed regulations would remove the second safeguard, the three-refusal allowance. Prospective tenants who do not accept the first unit offer made by their service manager would lose their eligibility for social housing.

Loss of eligibility would include situations where households are removed from the social housing waiting list for:

- refusing an offer of a unit that is not suitable for their needs
- being unreachable when a unit they would be eligible for is available
- refusing an offer of portable housing benefit, without being offered a unit

We recognize why this change has been proposed. It would reduce the amount of time that much-needed social housing units remain vacant, reduce the financial loss to service managers through forgone rent, and reduce their administrative burden from having to arrange a viewing and review eligibility multiple times. However, it is possible to achieve these aims without removing the three-refusal allowance, which would have a detrimental impact on households in the greatest housing need.

Given that households are often on the waiting list for multiple years before being offered a unit, the three-refusal allowance prevents households from moving somewhere that does not meet their needs, which are likely to have changed over that time. For example, a child could have an affordable childcare placement which is not accessible from the unit offered; or a woman may have to refuse an unit because it is in the same building as an abusive ex-partner. The three-refusal rule prevents households from having to decide between affordable housing and access to essential services, or their general safety.

It also prevents someone from losing their place on the waiting list without actively refusing an offer of a housing unit. Under the current regulations, service managers must make “reasonable efforts” to contact someone to arrange a unit viewing; after that, the lack of response can count as a refusal. Without the three-refusal rule, someone could be removed from the waiting list solely for failing to update their service manager of a change in contact details, or for dealing with a family emergency away from home.

The three-refusal allowance also allows households on the waiting list to apply for the portable housing benefit (PHB) — which would help a household meet the costs of renting in the private market — without risking their eligibility for social housing. Under the current regulations, refusing an offer of PHB counts as one refusal of a unit, but that refusal would not necessarily lead to removal from the waiting list.

With the proposed withdrawal of the three-refusal allowance, a household could be removed from the waiting list solely for refusing an offer of PHB.

PHB is only a viable option for a household if they can find a suitable rental unit in the private market which they could afford with the help of the benefit. As market rent levels and household incomes are prone to change, a household that has applied for PHB may find that it is not a viable option for them at the time PHB is offered. But the decision to refuse PHB would, as a result, make them ineligible for the only suitable housing option.

While service managers can inform households considering an application for PHB about the proposed regulation, once implemented it would affect households who have already applied for PHB under the assumption that they could refuse an offer without losing their eligibility for social housing.

An evaluation of the PHB pilot for survivors of domestic violence showed that eligible households were deterred from applying because the financial assistance available through PHB was considered to be insufficient. The proposed regulation to remove the three-refusal allowance would discourage more households from applying for PHB even though it could help them secure adequate housing.

An alternative approach that would avoid these problems and reduce the vacancy periods for service managers would be to move to a choice-based lettings system that has been successfully used in other countries. This system makes information about vacant units available to eligible households on the waiting list. Households then have to express an interest in a unit before it is formally offered to them.

This approach does not hold households accountable to the preferences that they made years earlier when their circumstances were different, and it does not waste a service manager's time organizing viewings with households that are likely to refuse the offer. This system has already been tested, with successful results when it was piloted in Toronto in 2014. The pilot reduced the number of phone calls required to fill a vacancy from 9 to 1.6, and the number of days a unit was vacant from 45 to 20. It also increased the acceptance rate for units from 24 to 73 per cent.

Given the problems with removing the three-refusal allowance, we urge the province to retain the current regulation and instead support service providers in offering a choice-based system.

Asset limits

The proposed regulations state that the government is considering a compulsory asset limit to test eligibility for the waiting list. Currently, an asset limit of \$20,000 is optional for service managers. While we recognize that those in greatest need should be prioritized for social housing, a particularly low savings limit would discourage those on the waiting list from building up even a modest amount of savings. It would discourage financial security among those who would benefit most from it.

As households are likely to remain on the waiting list for years, households should be supported to build up savings in the periods when they are able to. Any kind of savings or asset limit should be mindful of the incentives it is creating for those in need of social housing.

Conclusion

Social housing is often the only way that low-income Ontarians can live in affordable, secure housing which is appropriate to their needs. The length of the waiting list shows the extent to which demand for social housing outweighs supply. We commend the government for seeking ways to streamline processes around waiting lists to maximize the use of this precious resource and meet the needs of as many low-income households as possible. The proposed regulation change regarding tenant transfers is an excellent example of how this can be achieved.

However, we urge the government not to change the regulations regarding the three-refusal allowance. Such a change risks creating worse outcomes for those in greatest housing need. It's important that the provincial government's actions aimed at reducing the waiting list also work to reduce housing need, without adverse consequences.

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77 Bloor Street West, Suite 1600
Toronto, ON M5S 1M2
CANADA

+1-416-944-2627

info@maytree.com

www.maytee.com

@maytree_canada