
Memorandum

COM-C 5-2024

Subject: Urgent Service Manager Notification – Niagara
Date: April 9, 2024
To: PHSSC
From: Cameron Banach

Attached is correspondence from the Province of Ontario regarding Federal Housing Grants (Appendix 1), and a potential reduction in funding of \$355 million to the province, and then by agreement, to programs administered by municipal service managers. Additionally, correspondence from the Association of Municipalities of Ontario (AMO) (Appendix 2), is also included, as AMO reports on its efforts to communicate significant concern about any potential loss of funding.

The potential reductions noted in this correspondence are related to the 2024/2025 funding under Ontario Housing Priorities Initiative (OHPI), Canada Ontario Housing Initiative (COCHI), and Canada Ontario Housing Benefit (COHB). Municipal staff have been asked to share the potential impacts of this funding loss with the provincial government, and have been advised that meetings are ongoing between the province and the federal government.

Once the final decisions are made related to this program, and the implications of those decisions are understood for Niagara, staff will provide information to committee and council.

Respectfully submitted and signed by

Cameron Banach
Director Housing Services / CEO of
Niagara Regional Housing

Appendix 1 – Urgent Service Manager Notification - Niagara

Appendix 2 – GC HIC LTR AP National Housing Strategy Funding 2024-03-26 FINAL

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister
777 Bay Street, 17th Floor
Toronto ON M7A 2J3
Tel.: 416 585-7000

**Ministère des
Affaires municipales
et du Logement**

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Toronto ON M7A 2J3
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234-2024-1413

March 25, 2024

Mr. Cameron Banach
Director, Housing Services/Chief Executive Officer NRH
Regional Municipality of Niagara
1815 Sir Isaac Brock Way, P.O. Box 344
Thorold, ON L2V 3Z3

Dear Mr. Banach:

Late last week, I received a letter from federal Minister Sean Fraser regarding Ontario's National Housing Strategy (NHS) Action Plan. The Minister has indicated that the federal government is cutting \$355 million in funding that goes to support the most vulnerable in our province.

The federal government has disagreed with the 11,529 community housing units that Ontario proposed to count towards the overall provincial target of building 19,660 new rent-assisted units as part of its NHS Action Plan. In doing so, they are refusing to recognize the important contributions made by Ontario's service managers to grow the provincial community housing stock while balancing other critical housing priorities, including the significant repair backlog.

As a result, the federal government is forcing the province to revisit the way we fund service managers in order for them to demonstrate greater progress against meeting our target. This directly impacts our ability to provide service managers with the autonomy and flexibility they need to address local housing priorities.

We believe this is unacceptable as we know that the flexibility provided to our service managers to spend money on local priorities leads to better outcomes for Ontarians.

Additionally, the federal position on NHS funding does not reflect some major factors that should be taken into account – factors that Ontario has repeatedly brought to the attention of the federal government. Since the NHS targets and outcomes were agreed to in April 2018, the economic landscape has shifted dramatically with the rising costs of building materials, supply chain disruptions, gaps in the labour market, and most of all, higher interest rates.

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The federal position also does not consider the importance of ensuring that the current social housing stock is there for the many households that need it most through our focus on repairing and renovating units. While it is important to grow the stock, it is equally, if not more crucial, to ensure it does not shrink due to units that cannot continue to be offered because of deferred repairs and renovations.

Ontario's stock is the oldest in the country and in the greatest need for additional investment in repairs and renovations. A January 2024 report from the Housing Services Corporation reviewed 86,000 of Ontario's social housing units and found that more than 25,800, or 30% of these units, are at risk of being in critical condition by 2035 based on the Facilities Condition Index. By focusing on the repair backlog, Ontario has successfully staved off the risk to both affordability and availability of units for tens of thousands of families and overachieved on the NHS repairs target. In fact, we have effectively exceeded the overall nine-year repairs target by 170% to date.

Given the age of Ontario's stock, we question the federal government's singular focus on achieving a new supply target while adhering to a low repairs target, both of which were set more than 5 years ago. This approach would amount to gross negligence on our part as the stock would be at risk of deteriorating to a point where, over time, more units could be lost unnecessarily compared to how many are to be created by way of the 15% expansion target. Our approach, on the other hand, continues to support the financial and physical viability of the social housing stock over time, while also respecting the independence and autonomy of our service managers.

I have written back to Minister Fraser and have asked that he consider a revised NHS Action Plan that identifies solutions to address these concerns while not cutting crucial funding that you as service managers depend on.

To date, I have not received a response, as such I am writing to you today to inform you that there may be a significant impact in funding starting on April 1st.

We hope that the federal government will reconsider the approach they have chosen and come to the table as partners so that we can get to a resolution that will not put the most vulnerable Ontarians at risk.

Sincerely,



Hon. Paul Calandra
Minister of Municipal Affairs and Housing

- c. Michael Klimuntowski, Chief of Staff, Ministry of Municipal Affairs and Housing
Martha Greenberg, Deputy Minister of Municipal Affairs and Housing
Angela Cooke, Assistant Deputy Minister, Ministry of Municipal Affairs and Housing

Sent by email to: minister-ministre@infcc.gc.ca

March 26, 2024

The Honourable Sean Fraser
Minister of Housing, Infrastructure and Communities
180 Kent St.
Ottawa, ON
K1P 0B6

Dear Minister Fraser,

I am writing today on behalf of Ontario's municipalities to urge against any cuts to federal funding for affordable housing. AMO members were deeply concerned to learn last week that your government is considering withholding almost \$355 million in funding under the National Housing Strategy. This would have devastating impacts on low-income families and individuals, and further exacerbate the housing crisis across the province.

Ontario's municipalities share your government's commitment to increasing the supply of deeply affordable, community, and supportive housing. It is a critical part of addressing the homelessness crisis that is undermining the health, social and economic foundations of families, communities and businesses across the country.

We also agree that these systemic issues decades in the making can only be solved if all three orders of government come together and contribute to solutions. As you are aware, Ontario municipalities are unique within Canada regarding our housing responsibilities, with the 47 municipal Service Managers and District Social Services Administration Boards (DSSABs) directly responsible for housing and homelessness.

Municipalities and DSSABs rely heavily on National Housing Strategy funding to make critical investments to both preserve the existing social housing stock and create new supply.

Despite these investments, the current community housing landscape in Ontario remains a significant challenge. As the provincial government has rightly pointed out, Ontario has the among the oldest stock in the country with a significant capital repair backlog, putting many existing units at risk.

Ultimately, we need to fundamentally re-think the way we fund community housing in Ontario and in Canada. But the answer is not unexpected funding cuts in the middle of a homelessness crisis. AMO urges you to work with the provincial government to develop an NHS Action Plan that works for all parties without penalizing Ontario's most vulnerable. Ontario's municipalities stand ready to work in partnership.

AMO has been eager to meet with you to talk about housing and infrastructure in Ontario, and we would welcome the opportunity to do so at your earliest convenience.

Sincerely,



Colin Best
President, Association of Municipalities of Ontario
Regional Councillor, Halton Region

Cc: The Honourable Paul Calandra, Ontario Minister of Municipal Affairs and Housing
Martha Greenberg, Deputy Minister, Ontario Ministry of Municipal Affairs and Housing
Kelly Gillis, Deputy Minister, Housing, Infrastructure and Communities