

REGION OF OTTAWA-  
CARLETON  
RÉGION D'OTTAWA-CARLETON

REPORT  
RAPPORT

Our File/N/Réf.                      03-00-0003

Your File/V/Réf.  
DATE                                      30 August 2000

TO/DEST.                                Chair and Members of Council

FROM/EXP.                              A/Director Social Housing

SUBJECT/OBJECT                      **UPDATE ON SOCIAL HOUSING DEVOLUTION**

On 15 August 2000 in a keynote speech to the AMO Conference, the Minister of Municipal Affairs and Housing, Tony Clement, announced some directions that the government will pursue with regard to the devolution of social housing. These directions are being drafted into legislation and it is his intention that the legislation will be introduced when the legislatures resumes in the fall. He will be proposing that the transfer of social housing administration take place in two stages:

Phase 1 - Public Housing

- Local Housing Authorities (Ottawa-Carleton Housing) to be converted to Local Housing Corporations under Business Corporations Act 1 January 2001
- Consolidated Municipal Service Managers (CMSMs) to be sole shareholders
- transfer is "as is" - ownership, staffing, agreements (e.g. Rent Supplement)
- OHC will do incorporations
- current LHA board members will be named in articles of incorporation (including current councillors) as initial board
- no money to upgrade stock - MMAH says annual \$100 million is sufficient
- MMAH says no due diligence process is required

Phase 2 - Administration of Non-Profit and Co-operative Housing

- to be transferred within 18 months after Royal Assent
- CMSMs have 6 months to develop local plans (including any changes to public housing)
- will harmonize (new funding model, etc.) provincially administered programs (not federal) - whether to include public housing in the harmonization will be up to the CMSM
- Province to set standards - eligibility, RGI to be protected, etc.

- Province will also retain broad policy setting responsibility, contingent liability (therefore role in default management), mortgage renewals, reporting to feds
- new operating relationship for provincially administered programs
- will set up a municipally controlled corporation to deal with group insurance, pooling of replacement reserves, ongoing benchmarking and best practices

#### Transition Funding

- to be provided for
  - start up - preparation of local plans
  - property management software costs for LHAs
  - title normalization costs for public housing
- amount identified \$5.6 million - not clear if this is for all three or just for start-up
- N.B. **no** transition funding for due diligence work

Obviously there are many questions about the details and the implementation. Hopefully, the documentation coming out from MMAH in the next few weeks will provide more information. It was confirmed that the documentation coming out is not for consultation purposes - there will be no consultation on these directions except for the detailed work groups that have already been established for specific elements.

While it is very positive that the government is finally giving some indication of intent and timing, there are a multitude of questions to be addressed and the actual details won't be known until the legislation is tabled. Social Housing staff will be meeting with MMAH staff 25 August 2000 and will obtain further details at that time. A meeting of the Regions Social Housing Group will be scheduled for early September to consider the implications of the announcements and prepare an action plan.

If you have questions on this matter, please contact Marni Cappe (2739) or Judy Forrest (5147).

*Approved by  
Marni Cappe*