Subject: Service Agreements Under the Housing Services Act, 2011

File Number: ACS2025-CSS-GEN-008

Report to Community Services Committee on 27 May 2025

and Council 11 June 2025

Submitted on May 15, 2025 by Clara Freire, General Manager, Community and Social Services

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Ward: Citywide Citywide

Objet : Accords de services conclus sous le régime de la Loi de 2011 sur les services de logement

Numéro de dossier : ACS2025-CSS-GEN-008

Rapport présenté au Comité des services communautaires

Rapport soumis le 27 mai 2025

et au Conseil le 11 juin 2025

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REPORT RECOMMENDATION(S)

That the Community Services Committee recommend that Council delegate authority to the Director, Housing and Homelessness Services, to:

1. **Negotiate and execute service agreements under the Housing Services Act, 2011 for the administration and funding of projects designated under Ontario Regulation 367/11 to operate as Part VII.1 housing projects, in accordance with the framework outlined in this report;**

2. **Approve mortgage refinancing for new capital repair projects for Part VII.1 housing projects with expired mortgages, where necessary, provided that the outcome is revenue neutral to the City of Ottawa, with approval from the City Treasurer;**
3. **Retain and redirect savings from expired mortgages and apply these annual savings to operational and capital shortfalls within new Part VII.1 projects; and**
4. **Negotiate and execute exit agreements as permitted under the *Housing Services Act,* 2011 and subject to the requirements outlined in this report.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité des services communautaires recommande au Conseil de déléguer au directeur, Services du logement et de la lutte contre l'itinérance, les pouvoirs suivants :

1. **Négocier et signer des accords de services aux termes de la *Loi de 2011 sur les services de logement* en vue de l'administration et du financement d'ensembles domiciliaires désignés par le Règlement de l'Ontario 367/11 pour qu'ils deviennent des ensembles domiciliaires visés par la partie VII.1, conformément au cadre décrit dans le présent rapport;**
2. **Approuver le refinancement hypothécaire d'ensembles domiciliaires visés par la partie VII.1 pour lesquels l'hypothèque est échue aux fins de nouveaux projets de réparation des immobilisations, s'il y a lieu, à condition qu'il n'y ait pas d'incidence sur les recettes de la Ville, et que le trésorier municipal ait donné son approbation;**
3. **Conserver et réaffecter les économies découlant des hypothèques échues, et utiliser ces économies annuelles pour combler les manques à gagner opérationnels et en immobilisations spécifiques aux nouveaux ensembles domiciliaires visés par la partie VII.1;**
4. **Négocier et signer des accords de cessation conformément à la *Loi de 2011 sur les services de logement*, sous réserve des exigences indiquées dans le présent rapport.**

EXECUTIVE SUMMARY

On January 29, 2020, Ottawa City Council declared an Affordable Housing and Homelessness Crisis and Emergency. More recently, as part of the Strategic Plan for 2023-2026, the City has prioritized affordable housing and livability. Renewing partnerships with existing housing providers through service agreements will help preserve Ottawa's social housing stock, ensuring deeply affordable housing remains viable and well-maintained for low-income residents.

Ottawa's deeply affordable housing is operated by social housing providers governed under the Housing Services Act, 2011 (HSA). This report focuses on approximately 4,226 social housing units, excluding Ottawa Community Housing Corporation (OCHC), which operates under a separate agreement currently under review for 2026.

This report recommends that the Director of Housing and Homelessness Services be given delegated authority to enter into service agreements to sustain Rent-Geared-to-Income (RGI) housing, ensuring long-term stability for residents. Preserving existing social housing requires innovative solutions, which can be achieved within the approved Housing and Homelessness Services budget.

Additionally, the report proposes maintaining mortgage financing within the existing, approved budget, allowing the savings from matured mortgages to support new housing projects. Funding for service agreements will shift from a legislated formula to a needs-based approach, ensuring financial sustainability. If approved, the Director of Housing and Homelessness Services will have delegated authority to enter into agreements and approve mortgage refinancing, provided the impact remains revenue-neutral to the City.

Ottawa's social housing stock is an invaluable public asset that has served thousands of residents for decades. New agreements will safeguard RGI households, maintain housing in good repair, and ensure a fair and centralized application process. The report also recommends limiting exit agreements to cases where housing providers maintain RGI capacity, either through redevelopment or reinvestment, preventing net loss of affordable units.

Supporting housing providers with stable agreements will strengthen Ottawa's housing system, ensuring deeply affordable housing remains accessible for future generations.

RÉSUMÉ

Le 29 janvier 2020, le Conseil municipal d’Ottawa a déclaré une crise et une situation d’urgence en matière de logement abordable et d’itinérance. Plus récemment, dans son Plan stratégique 2023-2026, la Ville a établi comme priorités les logements abordables et l’habitabilité. En renouvelant les partenariats avec les fournisseurs de logements au moyen d’accords de services, elle sera mieux à même de préserver son parc de logements sociaux, ce qui permettra de garder viables et bien entretenus les logements très abordables pour les résidentes et résidents à faible revenu.

Le parc de logements très abordables d’Ottawa est géré par des fournisseurs de logements sociaux régis par la *Loi de 2011 sur les services de logement* (LSL). Le présent rapport concerne environ 4 226 unités de logement social, mais ne vise pas la Société de logement communautaire d’Ottawa (SLCO), qui fait l’objet d’une entente distincte actuellement à l’étude pour 2026.

Ce rapport recommande que le directeur des services de logement et de lutte contre l’itinérance se voie déléguer l'autorité pour conclure des ententes de service afin de maintenir les logements à loyer indexé sur le revenu (LIR), garantissant ainsi une stabilité à long terme pour les résidents. La préservation des logements sociaux dépend de solutions innovantes et réalisables dans les limites du budget approuvé des Services du logement et de la lutte contre l’itinérance.

Il est également proposé de maintenir le financement hypothécaire dans les limites du budget approuvé, et d’ainsi affecter les économies découlant des hypothèques échues aux nouveaux ensembles domiciliaires. Le financement des accords de services, jusqu’ici basé sur une formule prescrite par la loi, sera maintenant fondé sur les besoins pour assurer la viabilité financière. Si la recommandation est approuvée, le directeur des Services du logement et de la lutte contre l’itinérance pourra conclure des ententes et approuver le refinancement hypothécaire dans les cas où l’incidence sur les recettes de la Ville reste nulle.

Le parc de logements sociaux d’Ottawa est un actif public inestimable dont profitent des milliers de résidentes et résidents depuis des dizaines d’années. Les nouvelles ententes permettront de protéger les ménages ayant un LIR, de maintenir les logements en bon état et de garantir un processus de demande équitable et normalisé. Le présent rapport recommande aussi de limiter les accords de cessation aux situations où le fournisseur de logements conserve sa capacité d’offrir des logements à LIR, que ce soit par le réaménagement ou le réinvestissement, ce qui évitera une perte nette de logements abordables.

En garantissant des ententes pérennes aux fournisseurs de logements, nous renforcerons le système de logements à Ottawa, ce qui assurera la disponibilité de logements très abordables pour les générations à venir.

BACKGROUND

The social housing system in Ontario is undergoing a fundamental transformation. Social housing refers to deeply affordable housing built under a series of programs from the 1950s to 1999. It is during this period that most Rent-Geared-to-Income (RGI) housing was built in Ottawa and across Ontario. In 2001, the province transferred the responsibility for social housing to municipal areas known as Service Managers through legislation.

The system of funding and administering social housing in Ontario is governed by the Housing Services Act, 2011 (HSA) that succeeded the Social Housing Reform Act, 2000 (SHRA). Funding and obligations for the City and housing providers are set out in an ongoing service agreement.

By way of the Protecting Tenants and Strengthening Community Housing Act, 2020, the Province of Ontario amended the HSA, and Ontario Regulation 367/11 to enable service managers and housing providers to move from the legislated funding and compliance relationship to a new contractual relationship. The current rules and funding relationship with service managers remain in place for housing providers until such time they enter into a new service agreement.

Changes to the HSA and to Ontario Regulation 367/11 regarding new service agreements provides the opportunity to modernize the operating framework for community housing. The City can move away from the prescriptive one-size-fits-all funding formula and provide flexible baseline funding for each individual housing provider.

A new financial plan is required to support this modernization. Through retaining and redirecting savings from expired mortgages, these annual savings will be applied to operational and capital shortfalls. The funds will be targeted to housing providers entering new service agreements who have current funding shortfalls. This plan ensures funding is spent where it is needed most for the long-term viability of the community housing stock.

Needs-based service agreements will be developed for each community a housing provider operates. This will support the continued delivery of community housing, ensure resident stability, and can include non-profit and co-operative housing providers that are not currently operating under the HSA.

The City of Ottawa, as Service Manager, is responsible for administering community housing programs under the HSA. Each program has unique program guidelines and associated funding formulas. Ontario Regulation 367/11 requires Ottawa to maintain a minimum of 16,502 RGI units on an ongoing basis as its service level standard. Ensuring RGI units are not lost is vital as the City and housing providers move together towards modernization.

RGI assistance is a provincially legislated housing subsidy offered by the City of Ottawa to make rent affordable for qualifying households. The rent for a subsidized unit, referred to as the RGI rent, is typically set at thirty percent (30%) of a household's monthly net income determined using income tax information or a fixed scale amount if they are in receipt of Ontario Works (OW) or Ontario Disability Support Program (ODSP). Households must meet eligibility requirements, be selected in accordance with the legislated waiting list system and maintain their eligibility on an annual basis to continue to be eligible for RGI assistance.

In Ottawa, the number of households seeking subsidized housing far exceeds the number of units available. There are approximately 17,000 social housing units in Ottawa that are legislated on the HSA. These projects are owned and managed by a committed group of non-profit, charitable and cooperative housing corporations. Cooperatives are unique within this group due to their membership, community participation and governance.

There are 48 prescribed HSA housing providers in the City of Ottawa consisting of both non-profits and cooperatives. Ontario Regulation 368/11 sets out the list of prescribed projects in Ottawa. Of these 48 housing providers, 42 receive ongoing subsidy from the City of Ottawa according to the legislated funding formula outlined in Ontario Regulation 369/11 for Part VII housing providers (see Appendix A for a list of housing providers currently in receipt of ongoing subsidy). The remaining 6, known as Section 95 federal housing providers are prescribed on the HSA but follow a different funding formula.

Part VII housing providers are required to house vacant units from the Centralized Waiting List (Social Housing Registry of Ottawa) according to their service agreement and specified RGI target. An RGI target refers to the designated amount of RGI units within the project. The non-RGI units are housed with market rent tenants who pay an affordable rent that is typically below the Canada Mortgage Housing Corporation (CMHC) rents published in the annual Rental Report of average market rents in Ottawa. This means every unit is affordable under the City's definition of affordable housing.

Ottawa Community Housing Corporation (OCHC) is the largest housing provider in the City of Ottawa with approximately 12,377 units prescribed on the HSA. The remaining housing providers represent approximately 4,226 total units. OCHC is funded according to an operating agreement approved by City Council in 2009 (ACS2009-COS-HOU-0001). The operating agreement with OCHC will undergo a collaborative review and will be presented to City Council in 2026. This Council Report will deal exclusively with non-OCHC Part VII housing providers that receive ongoing subsidy from the City.

The City of Ottawa is the primary funding source for all community housing providers prescribed on the HSA. The City receives funding from other levels of government to help offset costs related to community housing administration, namely the Canada-Ontario Community Housing Initiative (COCHI) and federal funding as published in the Ontario Gazette. These funding allocations from upper levels of government represents only a small portion of the total annual costs related to community housing administration.

See Appendix B for a summary of municipal funding for 2019-2025.

The COCHI program, funded through the National Housing Strategy, has provided the City of Ottawa approximately $67 million since 2019. In 2023, City Council gave the Housing and Homelessness Services delegated authority to administer this program on an ongoing basis (ACS2023-CSS-GEN-003). Housing and Homelessness Services has primarily directed COCHI funding towards capital repairs in the ageing community housing stock. The amount of COCHI funding for 2025-26 has yet to be announced by the Province.

The City receives annual federal funding to help offset costs related to community housing administration. The HSA requires the Minister of Housing to publish a notice in the Ontario Gazette of the annual amount of federal funding payable to each municipality. The annual funding has decreased each year and will be $0 by 2031.

On March 31, 2022, the Province notified service managers of changes to Ontario Regulation 367/11, including amendments that would establish baseline rules for service and exit agreements effective July 1, 2022. Under the new framework, a housing provider that operates a housing project which is subject to Part VII is eligible to sign either a service agreement or exit agreement when its project reaches end of mortgage (EOM). Projects remain subject to existing Part VII rules and funding until they enter into a service agreement or an exit agreement with the City. All service and exit agreements must be mutually agreed upon and signed by both the service manager and housing provider.

The new service agreement framework must include requirements that existing units continue to be funded in a sustainable way, bridging the gap between the RGI rent paid by the household and the unit's market rent. Service managers and housing providers will be required to develop joint financial plans, to be reviewed every five years, to help ensure funding provided will sustain affordable rents and the community housing stock during the service agreement term.

City staff work closely with prescribed HSA housing providers on a variety of subjects including board governance, financial and asset management, and RGI administration. Each Part VII housing provider is different and has its own unique set of challenges. Housing providers differ in terms of operational capacity, RGI targets, existing levels of operating and capital reserve funds, and their long-term capital repair need.

The City had been actively developing strategies and tools to assist housing providers in preparing for a shift away from a prescriptive funding model. One of the goals was for housing providers to be ready to develop long-term financial plans to meet operational and capital needs in an accountable yet streamlined method. The City has consulted with other service managers and Ottawa stakeholders over the last eight years, including through information sessions, sector-wide meetings, and gathering individual housing provider input.

DISCUSSION

One of the main goals of the City's 10 Year Housing and Homelessness Plan is to preserve the existing affordable housing stock. A significant amount of public funds has been invested within the Part VII community housing stock since the Province downloaded the responsibility of community housing administration to the City of Ottawa through the SHRA in 2001.

The community housing stock is ageing and, in many cases, requires significant capital repairs to maintain the units in a good state of repair. Municipal and provincial capital repair funding programs have provided significant investments to successfully repair and replace critical building systems. In recent years, the COCHI program has provided $67 million towards repairs. The municipally funded Housing and Homelessness Investment Plan (HHIP), now known as City Homelessness Funding (CHF), has provided approximately $37 million since 2013.

Housing providers play an integral role in operating their housing projects under the Part VII HSA framework, providing affordable housing to the residents of Ottawa, while navigating a complex legislative framework.

While each housing provider has unique and different operating and capital repair needs, staff are recommending new service agreements incorporate HSA legislated requirements including the following principles:

- Baseline provisions to continue funding RGI units to meet the City's mandated target of 16,502 RGI units;
- Setting a minimum term length of 20 years (legislation requires 10 years);
- Selection rules for units where households will be receiving RGI assistance, aligned with existing selection and waiting list rules under the HSA. This includes continuing to house vacant RGI units according to the mandated target and selecting households from the Centralized Waiting List as per HSA and local rules;
- Requirement to follow Rent-Geared-to-Income administration rules as per the HSA and local rules;
- The inclusion of a process to manage issues of non-compliance and dispute resolution. Prescribed housing providers will continue to be eligible to participate in Internal Review panels for matters related to a household's eligibility for RGI assistance;
- Continued participation in regulated Housing Services Corporation (HSC) programs;
- A flexible funding approach based on the uniqueness of each provider to ensure the provider is viable in all aspects of their business including but not limited to stable tenancies, financial, asset management, governance and operations; and
- Revisiting mandates, such as housing for seniors, single parents, families, individuals, Indigenous, veterans, and housing with supports that were set at the time of construction.
- To facilitate redevelopment and intensification of community housing stock when there is no net-loss of RGI units.

Financial Plan Within New Service Agreements

Ontario Regulation 367/11 s105.1 (13) outlines the requirements of the financial plan within new service agreements. The regulation states that the financial plan in each service agreement must include the following:

- Has been jointly developed by the housing provider and service manager;

- Addresses how the housing provider's revenues will meet expenditures for the housing project, including projected capital expenditures;
- Addresses how rent for units in the housing project, other than Rent-Geared-to-Income rent, will be set; and
- Extends for a period of at least five years from the effective date of the agreement.

The existing funding formula and benchmarking process set in place through devolution of social housing responsibilities from the province to service managers in 2001 is outdated and unnecessarily complex. The City of Ottawa, as Service Manager, and housing providers will enter into Part VII.1 service agreements together to maintain public accountability and compliance through streamlined, simplified, and transparent reporting processes that minimize administrative burden wherever possible.

New service agreements will transition to a transparent and simplified system that funds based on a housing provider's RGI target, potential revenue and expenses, including the capital repair need. From a policy standpoint, the system must create flexibility to establish an appropriate funding approach based on the unique circumstances of the housing provider, to protect existing tenancies, and to deliver affordable, quality housing across the whole of the service manager portfolio. A simplified funding approach will be developed that will allow the City and housing providers to both have predictable annual funding that meets the needs of the housing provider and is within the Housing and Homelessness Services budget.

See Appendix C for a proposed simplified funding model.

The financial plan will be developed utilizing historical data, actual expenses, annual indices, and portfolio-wide average data to ensure efficient use of the Housing and Homelessness Services budget. Annual reporting, including the annual information return and audited financial statements, will be streamlined where possible to minimize the administrative burden on the housing provider. The primary challenge with the financial plan will be establishing the required capital repair portion of the annual funding.

Housing provider capital asset and repair information will need to be up to date with a validated long-term forecast of the capital repair need for the length of the service agreement term. Viability studies, Building Condition Assessment (BCA) reports, capital planning software and operational review reports will support a good assessment and financial plan within a new service agreement. The City funds an asset management software for housing providers called "Asset Planner". The software helps both the City and housing providers analyze complex data to drive strategy and decisions relating to capital repair work. The City has also funded BCAs for most housing providers in the portfolio within the last five years.

Capital repair forecasts based purely off Asset Planner and BCA data alone are not an accurate tool to predict the actual capital repair need over a building's life. A BCA only analyzes a single point in time and uses expected lifecycle of components to predict outcomes and replacement costs. In practice, the actual timing for replacement is much different. An industry standard expected lifecycle is a prediction on how long an average building component could last. There are many variables that are not included and have significant impact on actual capital repair costs in the future. For example, labour rates and market availability have a large impact on costs. Actual wear and tear on the component, proper maintenance, and proper use also play a role. City staff, including Technical Assessors, who are subject matter experts in determining capital repair needs, will work in collaboration with the housing providers using all existing information and expertise to develop the capital repair forecast within the financial plan.

Capital repair programs over the past decade from other levels of government have been made available for housing projects prescribed on the HSA. It is not known how much funding will be available to Ottawa in the upcoming years or if new programs may replace COCHI, which has provided the City's main source of capital repair funding from 2019 to 2025. Advocacy for other levels of government to continue a funding stream directed towards preservation of existing housing stock will be necessary from all municipalities, including Ottawa. New service agreements will allow housing providers to remain prescribed on the HSA and continue to be eligible for these types of grant programs in the future.

Mortgage Refinancing

If approved, Housing and Homelessness Services will allow housing providers to refinance mortgages once EOM is reached. This will allow housing providers to access additional revenue that will be targeted for capital repairs. This approach is consistent with what City Council has done for Ottawa Community Housing Corporation (OCHC). Since 2012, City Council has approved mortgage refinancing through Infrastructure Ontario for OCHC's HSA portfolio that has reached EOM. The most recent Council report ACS2023-CSS-GEN-012 was approved under the condition that the annual mortgage amount was not greater than the current annual subsidy and the outcome was revenue neutral to the City.

Proposed Annual Revenue Neutral Approach

New service agreements will be entered into with Part VII housing providers on an annual revenue neutral basis to the City. This will be achieved by keeping mortgage subsidy savings, net of federal funding, within the Housing and Homelessness Services budget.

Table A sets out the total amount of forecasted mortgage subsidy and total subsidy that will be paid to Part VII housing providers from 2025-2030 including annual inflationary pressures. As mortgages reach EOM, the required mortgage subsidy to housing providers decreases, which results in net savings to the City.

Staff are proposing mortgage savings remain within existing budgets with the funds being used to offset costs related to the financial plans within new service agreements. It is important to note that staff are not recommending the mortgage savings be kept with the individual housing provider, but rather, kept within the overall non-OCHC portfolio.

Table A – Amount of forecasted subsidy under existing model (Non-OCHC) (2025-2030)

	2025	2026	2027	2028	2029	2030
Part VII HPs – Mortgage Subsidy	$14.6M	$13.6M	$8.8M	$6.2M	$4.4M	$3.1M
Part VII HPs – Total Subsidy	$24.1M	$23.4M	$19.1M	$17.2M	$15.9M	$12.1M
Part VII HPs – Mortgage Savings to be Retained	$ -	$1.0M	$5.8M	$8.4M	$10.3M	$14.6M

Table B reflects the anticipated Housing and Homelessness Services budget for subsidy to Part VII housing providers (non-OCHC) with the mortgage savings retained within the budget, as recommended by this report. Retaining the mortgage savings from 2025-2030 within the budget will provide additional direct support to Part VII.1 housing providers to help ensure housing providers remain financially viable and in a good state of repair.

Table B – Forecasted subsidy budget with proposed retained mortgage savings (2025-2030)						
	2025	2026	2027	2028	2029	2030
Part VII HPs	$24.1M	$24.4M	$24.9M	$25.6M	$26.2M	$26.7M

Staff will also work with housing providers to maximize revenue including developing strategies to increase average market rents to a percentage closer to the CMHC average market rents in Ottawa. Some housing providers set their existing market rents significantly below the CMHC average market rent in Ottawa. This limits the potential rental revenue and increases the financial burden on the City. All units in each project (RGI + Market units) benefit from significant municipal investments and ongoing subsidy.

It is important to emphasize that prescribed projects will continue to be funded under the existing funding formula until a new service agreement is reached. Once the mortgage is fully paid off, the subsidy entitlement calculation will no longer include the mortgage component as the housing provider will no longer have that expenditure. A full analysis of the housing providers current financial situation and the proposed financial plan can be collaboratively agreed upon by City staff and the housing provider before a new service agreement is signed.

Mergers and Acquisitions

Mergers and acquisitions are another opportunity to sustain viable affordable housing stock among community housing providers. Housing providers and City staff have participated in consultation sessions discussing shared services, mergers and acquisitions as part of the preparatory work for securing the viability of prescribed projects beyond EOM. In September 2024, the City provided funding to a sector group who developed and presented options to the community housing sector including a roadmap for considering mergers and acquisitions. Housing providers that have been involved in amalgamations in Ottawa are willing to share the learnings, opportunities and challenges they experienced with other housing providers. To date, there have been four mergers or transfer of assets for housing providers that are prescribed on the HSA.

City staff will continue to consult directly with housing providers who wish to explore mergers. In cases where a housing provider has determined they are unable to continue providing affordable and RGI housing under the HSA, merging with, or transferring the asset to another housing provider will be considered. Funding has been available in the past few years to support housing providers to explore this option.

Options Considered

Several funding framework options were considered and analyzed when developing the framework for new service agreements, while continuing to meet the City's obligations under the HSA. These options include shifting the portfolio over to a single rent supplement model, allowing each individual housing provider to maintain their own mortgage savings, adding property tax exemptions, and maintaining the existing funding formula with increased benchmarks.

Exit Agreements

The City will consider entering into exit agreements with community housing providers when there is no net-loss of RGI units and the legislated exit agreement requirements are met. The HSA requires that exit agreements be mutually agreed upon between the service manager and housing providers and at least one of the following requirements is met:

A. The continued operation of the housing project by the housing provider or another housing provider.

B. The redevelopment of the housing project by the housing provider or another housing provider.

C. The reinvestment of the proceeds of sale of the housing project into affordable housing.

Exit agreements must also include a plan for the continued delivery of RGI assistance to existing households in receipt of a subsidy.

The City does not intend to enter into exit agreements that result in a net loss of RGI units with Part VII housing providers. This is to ensure decades of investment in community housing is preserved and to ensure that future affordability is sustained.

Mergers and acquisitions will be explored for housing providers who no longer want to continue providing RGI assistance.

FINANCIAL IMPLICATIONS

The report proposes to maintain the current budget used to fund mortgage subsidies and repurpose it for funding operating and capital repairs subsidies, as part of the new service agreements. Although there is no impact on current budget levels, mortgage subsidy savings that were expected to be realized over the next five years from mortgages that would be reaching end of mortgage (EOM), will now be retained by Housing and Homelessness Services to subsidize additional operating and capital repair needs for non-profit service providers (non-OCHC). The projected annual savings over the next five years from EOM subsidies are as follows:

Table C – Forecasted subsidy budget savings (2025-2030)						
	2025	2026	2027	2028	2029	2030
Part VII HPs	$ -	$1.0M	$5.8M	$8.4M	$10.3M	$14.6M

By the end of 2030, $14.6 million in savings will be retained annually, to fund additional operating and capital repair needs subsidies to non-profit service providers. Approving refinanced mortgages for capital repairs would create a new mortgage subsidy funding requirement for the term of the new mortgage (e.g. 5, 10, 15 or 20-year term). Revenue neutrality to the City will be confirmed before non-profit service providers are given consent to refinance a housing project.

LEGAL IMPLICATIONS

There are no legal impediments to the implementation of the report recommendations.

CONSULTATION

Preserving Ottawa's social housing stock and long-term viability has been an area of focus for the City and stakeholders for over fifteen years. In early 2010, the Housing Systems Working Group (HSWG) was created to provide guidance and support to the City's Housing and Homelessness Services in the development and implementation of its 10-Year Housing and Homelessness Plan. The HSWG membership included representatives from a broad range of sectors including social housing (non-profit and co-ops), shelters, housing and homelessness supports and prevention, supportive housing, Ontario Health, Community Health and Resource Centres, the Royal Ottawa Hospital and the Eastern Ontario Landlord Organization. Preservation of existing social housing stock and development of new affordable housing was a keystone objective. The 10-Year Housing and Homelessness Plan commenced on January 1st, 2014, and the HSWG was consulted on the development of the report. The City's most recent review occurred in 2019 and there was a Progress Report issued in 2022.

Staff have also consulted with the Modernization of Community Housing Working Group, comprised of various leaders and stakeholders in the housing sector. The group provided guidance and input on the legislated five-year review of the 10-Year Housing and Homelessness Plan report (Council Report ACS2020-CSS-GEN-0006) dated July 15, 2020, as it pertains to community housing. The Plan's first goal to ensure that "Everyone has a home" is to "preserve the existing affordable housing stock."

In 2017 and 2018, Staff in collaboration with community housing providers conducted a series of information sessions and training to prepare for EOM and EOA. From 2019 to 2024, COCHI funding included transitional operating funding that conducted long-term viability plans, explored shared services, mergers and acquisitions as well as governance work.

Other service managers were consulted, and Staff have participated in ongoing sessions to share information and new strategy options. Several service managers including Ottawa retained legal services in consultation with the Housing Services Corporation to develop an agreement template. This template was amended by Staff to meet local needs and incorporate HSA requirements currently contracted through existing Housing Provider Service Agreements, which were most recently updated in 2017.

In 2022, a group of housing providers met with Staff to provide input into new service agreements and financial plans. In 2023, Community Housing Sector Day offered a roundtable opportunity to housing providers to discuss options for a financial plan, consult about their EOM/EOA concerns, and provide input on the proposed strategy for

Part VII.1 service agreements. The input helped refine the strategy for new service agreements and the template that was under development. Offers were made by Staff to meet with any housing providers who requested information on preparing for EOM. In 2024, Community Housing Sector Day included a presentation on the benefits of amalgamations, which was developed by housing providers and sector organizations. The day also included a presentation by the Cooperative Housing Federation about funding opportunities and EOM/EOA strategy supports for cooperative housing providers.

ACCESSIBILITY IMPACTS

There are approximately 500 accessible units in the non-OCHC housing portfolio therefore entering into new service agreements will help maintain the existing stock of accessible housing units and preserve this much-needed asset. The 2024 Ottawa Point-in-Time Count reported 30 per cent of survey respondents identified physical limitations are a current health challenge and 20 percent of survey respondents identified needing disability support through their housing journey.

DELEGATION OF AUTHORITY IMPLICATIONS

While the Director, Housing and Homelessness Services has been delegated the authority to perform the role of Service Manager pursuant to Schedule D, Subsection 8(2) of the Delegation of Authority By-law 2025-69, since this is a new funding model and it includes financial considerations, Staff are requesting specific authority to enter into these agreements.

INDIGENOUS, GENDER AND EQUITY IMPLICATIONS

Indigenous Policy Considerations

Ottawa benefits from two Indigenous Housing Providers who provide a total of 235 deeply subsidized units for Indigenous singles, seniors and families across the city. These valuable units are either in active or expired Federal Operating Agreements and both Gignul Non-Profit Housing Corporation and Inuit Non-Profit Housing Corporation intend to continue providing deeply affordable units. Entering into Part VII.1 service agreements for these prescribed projects will ensure that the 235 subsidized units have both RGI and capital repair funding long term. With minimum twenty year agreements, Urban Native Housing Providers can ensure there is no net loss of units with adequate rental affordability and that retained units will be improved through repair and/or capital replacement.

The need for Indigenous housing is very high. It is widely known that there is an over-representation of Indigenous people experiencing homelessness. The 2024 Ottawa Point-in-Time Count reported 29 per cent of survey respondents identified as First Nations, Metis, Inuit or having indigenous ancestry. The number of respondents increased from 428 surveyed in 2021 to 479 individuals in 2024. The City recognizes that the Indigenous community feels the actual overall percentage is higher, as many Indigenous individuals and families do not identify for fear of discrimination and ostracism from mainstream services.

Entering into new service agreements for these two Indigenous housing providers is critical since federal funding is declining as mortgages are paid off. Service agreements with Indigenous Housing Providers will contribute to reconciliation by increasing housing stability.

In addition to municipal support, advocacy with other levels of government and providing input into proposed federal funding to support Indigenous urban native housing must continue. On March 6, 2025, the Indigenous Caucus of the Canadian Housing and Renewal Association (CHRA) held a press conference calling on the federal government to immediately release the $2.8 billion funding allocation that it has committed to Indigenous housing providers.
This funding, originally part of $4 billion announced in Budget 2023 to establish a For Indigenous, By Indigenous (FIBI) Urban, Rural and Northern (URN) housing strategy, has faced repeated delays. Indigenous leaders are demanding that the government fulfill its commitment and transfer the funds to a national URN Indigenous housing organization so that Indigenous-led providers can begin addressing the Indigenous housing crisis, without further obstacles to the delivery of critical supports.

Gender and Equity Implications

The legislation requires that available RGI units first be offered to applicants with the Special Provincial Priority for victims of abuse and human trafficking. Most of these applicants are female. Ensuring at least the current number of 16,502 RGI units continue to be part of the housing system by entering Part VII.1 service agreements will protect this access for victims of domestic violence and human trafficking who are disproportionately female.

Further, poverty negatively affects equity deserving vulnerable populations disproportionately. Retaining Ottawa's deeply affordable housing stock and access to housing through the Centralized Waiting List ensures equity in opportunity possibly not available through the private rental market where applicants compete for vacant units and report discrimination. A new national report from the Canadian Centre for Housing Rights Measuring discrimination in rental housing across Canada - Canadian Centre for Housing Rights highlights discrimination experiences of equity deserving groups.

RURAL IMPLICATIONS

The City has four housing providers on the HSA in rural wards with eight projects. Most of these house senior residents. Two housing providers operating 89 units for seniors will be eligible upon reaching EOM to enter new service agreements preserving this housing stock for homes into the future. The other housing providers have entered into Rent Supplement agreements and four projects belong to OCHC and will be included in a separate OCHC report.

TERM OF COUNCIL PRIORITIES

This report directly supports the 2023-2026 Term of Council priority to make Ottawa a city that "has affordable housing and is more liveable for all" by maintaining Housing and Homelessness Services funding to preserve the City's social housing stock and be able to enter into new service agreements ensuring long-term viability.

SUPPORTING DOCUMENTATION

Document 1 – Appendix A: List of Part VII Housing Providers and Appendix B: Housing and Homelessness Services funding 2019-2025 Appendix C: Proposed Funding Model.

DISPOSITION

New service agreements will advance the objectives of the 10-Year Housing and Homelessness Plan 2020-2030 by preserving the existing affordable housing stock.

Community Housing and Benefits Branch staff, in consultation with other departments, will action the recommendations.

Document 1

Appendix A

Part VII Housing Providers	Number of Units
Asher Christian Seniors Inc.	64
Barrhaven Non-Profit Housing Inc.	41
Better Living Residential Co-operative Inc.	37
Cardinus Housing Co-operative Inc.	78
Carpenter Housing Co-operative Inc.	84
Cartier Square Housing Co-operative Inc.	67
Centretown Citizens Ottawa Corporation	812
Communityworks Non-Profit Housing Corporation	178
Conservation Co-operative Homes Inc.	84
Coopérative d'Habitation Côté Est Inc.	84
Coopérative d'Habitation Desloges Inc.	129
Coopérative d'Habitation St. Georges Housing Co-operative Inc.	69
Coopérative d'Habitation Voisins Inc.	76
Cumberland Housing Corporation/Corporation d'Habitation de Cumberland	64
Dalhousie Non-Profit Housing Co-operative Inc.	33
Daybreak Non-Profit Shelter (Ecumenical) Corporation	7
Dobbin Housing Co-operative Incorporated	47
Ellwood House (Ottawa) Inc.	30

Part VII Housing Providers	**Number of Units**
Emily Murphy Non-Profit Housing Corporation	39
Gignul Non-Profit Housing Corporation	162
Glenn Haddrell Housing Co-operative Inc.	85
Goulbourn Non-Profit Housing Corporation	64
Hazeldean Housing Co-operative Inc.	78
Inuit Non-Profit Housing Corporation	63
Kanata Baptist Place Incorporated	141
Kanata Co-operative Homes Inc.	86
L.I.U.N.A. Local 527 Non-Profit Housing Corporation	122
La Commission de Logement de Vanier Non-Profit Housing Authority	34
Lao Village Housing Co-operative Inc.	84
Mario de Giovanni Housing Co-operatives Inc.	123
Multifaith Housing Initiative (formerly Gloucester Housing Corporation)	252
National Capital Region Vietnamese Canadian Non-Profit Housing Corporation	70
Nepean Housing Corporation	383
Serson Clarke Non-Profit Housing Corporation	44
St. Vladimir's Russian Residence of Ottawa Inc.	63
Tannenhof Co-operative Homes Inc.	73

Part VII Housing Providers	Number of Units
The Muslim Non-Profit Housing Corporation of Ottawa-Carleton	57
The Shefford Heritage Housing Co-operative Incorporated	36
Unity Non-Profit Housing Corporation Ottawa	62
West Carleton Non-Profit Housing Corporation	25
Yule Manor Co-operative Homes Inc.	96
TOTAL	**4,226**
Ottawa Community Housing Corporation	12,377

Please note that there are 366 additional designated units within former Section 95 federal housing providers.

Appendix B – Housing and Homelessness Services funding 2019-2025

2019-2025 Community Housing and Benefits Branch Spending

	2020	2021	2022	2023	2024	2025 Budget
Part VII Housing Providers (Non-OCHC)	$28,974,435	$29,043,769	$29,119,668	$27,503,470	$27,076,606	$25,639,201
Other (OCHC, Rent Supp, CWL, Recoveries, Staffing)	$62,811,588	$67,890,526	$71,552,082	$63,976,273	$72,629,695	$76,942,339
City Homelessness Funding (formerly HHIP)						
Capital Repairs - CHF	$3,024,955	$3,509,309	$3,098,145	$3,127,147	$2,701,879	$2,769,426
Housing Benefits - CHF	$5,055,429	$5,154,811	$5,626,447	$5,271,396	$6,457,404	$6,618,839
Federal Funding	$15,590,891	$14,836,560	$12,015,888	$10,135,896	$8,512,616	$6,891,112
Net SM Funding - City Funds	**$84,275,516**	**$90,761,855**	**$97,380,454**	**$89,742,390**	**$100,352,968**	**$105,078,693**
COCHI Funding - Capital Repairs	$8,886,686	$12,026,469	$14,045,201	$15,274,500	$16,535,500	TBD

Appendix C

A simplified proposed funding model would look as follows:

Annual subsidy would be the shortfall between the following: rental revenue (RGI tenant portion + Market Rent) + non-rental revenue minus operating expenditures, including the annual capital repair need. Operating expenditures include maintenance and administration costs, utilities, bad debt, insurance, municipal property taxes as well as any additional loans a housing provider may sign.

Annual Subsidy = Operating Expenditures (including Capital Repair Need) − Rental Revenue (RGI tenant portion + Market Rent) + Non-Rental Revenue

If there is no shortfall, no subsidy would be required for the housing provider.