

Local Priority Rules for Rent-Geared-to-Income Housing and Centralizing Access for Affordable Rental Housing

Date: June 20, 2022

To: Planning and Housing Committee

From: Executive Director, Housing Secretariat; and Chief Planner & Executive Director, City Planning

Wards: All

SUMMARY

The [HousingTO 2020-2030 Action Plan](#) ("HousingTO Plan") provides a blueprint for actions and investments across the full housing spectrum to enhance access to safe, secure and affordable homes for Toronto residents. As part of the HousingTO Plan, the City adopted a new Housing Charter, *Opportunity for All*, with a key principle that "all residents have a right to housing that is accessible and takes into account the specific needs of historically disadvantaged and marginalized groups." In adopting the HousingTO Plan and Charter, the City also committed to taking a human rights-based approach to the development and implementation of all housing policies, programs, initiatives and investments over the next ten years.

One key step in advancing a rights-based approach to housing is to improve access to affordable homes for Toronto residents. This report makes a number of recommendations for City Council's consideration that would enhance the City's social housing program, known as Rent-Geared-to-Income (RGI) housing, and the Affordable Rental Housing program to improve access. The proposed changes would also help improve fairness, transparency and equity in how affordable homes, including deeply affordable RGI homes, are allocated.

In line with the Auditor General's recommendations, through the report, [Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing](#), which was adopted by City Council in July 2019, this report seeks City Council authority to amend the existing RGI local priority rules, which were adopted by City Council in 2002, to support the selection of households based on an applicant's level of need.

Recognizing the need to enhance and further streamline the administration of affordable rental housing as the supply of new affordable homes increases, the HousingTO Plan includes a recommendation to design and implement a centralized access system to

improve the allocation of affordable rental homes. In February 2022, Planning and Housing Committee ([PH31.5](#)) adopted the concept design for the Centralized Affordable Rental Housing Access System. The concept design sets expectations for a technology solution to meet the desired experience of users and to leverage the existing choice-based technology by creating a one window portal, which will create a single entry point for applicants to apply for rent-geared-to-income and affordable rental homes.

To that end, this report includes recommendations to develop and implement a Centralized Affordable Rental Housing Access System for affordable rental housing opportunities; an allocation methodology to fill affordable rental homes through the system, once implemented; and an approach to consolidate and streamline the future administration of new affordable housing contracts and agreements.

The Housing Secretariat will continue to monitor and review the housing outcomes of applicants housed in RGI and affordable rental homes and will report on the progress of the Centralized Affordable Rental Housing Access System through the HousingTO 2020-2030 Action Plan progress reports.

RECOMMENDATIONS

The Executive Director, Housing Secretariat and the Chief Planner & Executive Director, City Planning recommend that:

1. City Council direct the Executive Director, Housing Secretariat to develop a centralized system for selecting households from those waiting for affordable rental housing (the "Centralized Affordable Rental Housing Access System").
2. City Council direct the Executive Director, Housing Secretariat to establish the Centralized Affordable Rental Housing Access System that will:
 - a. be integrated with the system for selecting households from those waiting for rent-geared-to-income assistance under the Housing Services Act, 2011;
 - b. incorporate the definition of affordable rental housing in the Official Plan for development of new affordable housing under an amended Municipal Housing Facility By-law and the definition of affordable rent in prior versions of the Official Plan and the Municipal Housing Facility By-law for affordable housing projects developed under prior versions of the Municipal Housing Facility By-law;
 - c. require that all new affordable rental housing homes be eligible for benefits under the Municipal Housing Facility By-law to participate in the Centralized Affordable Rental Housing Access System from the waiting lists of community agencies, non-profit agencies or other groups and provided that tenant selection is carried out through a non-discriminatory process satisfactory to the Executive Director, Housing Secretariat;

d. permit existing affordable housing projects developed under previous Municipal Housing Facility By-laws to participate in the Centralized Affordable Rental Housing Access System; and

e. incorporate rules:

1. for determining the eligibility of households to occupy an affordable rental unit;
2. for determining whether a unit that becomes vacant should be occupied by a household that will pay an affordable rent;
3. for determining the priority of households waiting for affordable rental housing;
4. governing the selection by an affordable housing provider of households to occupy affordable rental units that incorporates a choice-based allocation methodology; Council approves the preference of City staff of a choice-based system outlined in Attachment 3, subject to the vendor's ability to provide functionalities within the software;
5. that deal with households waiting for affordable rental housing that have accepted an offer of rent-geared-to-income assistance or an alternate form of financial assistance;
6. that deal with households waiting for rent-geared-to-income assistance or an alternate form of financial assistance that have accepted an offer of affordable rental housing; and
7. addressing removal of a household from the Centralized Affordable Rental Housing Access System.

3. City Council authorize the Executive Director, Housing Secretariat to negotiate and amend, on behalf of the City, the scope of work for the agreement with the vendor of the design and delivery of the choice-based system for the selection of households for rent-geared-to-income assistance, to support the design and development of the Centralized Affordable Rental Housing Access System.

4. City Council authorize the Chief Planner & Executive Director, City Planning to include requirements in all new term sheets to be implemented in all new agreements securing new affordable housing units and new affordable replacement rental units for land owners to advertise and allocate affordable units in a manner consistent with practices for new affordable housing units secured and administered by the Housing Secretariat, including requirements for an approved access plan, income eligibility and the use of a Centralized Affordable Rental Housing Access System.

5. City Council direct the Chief Planner & Executive Director, City Planning, and City Solicitor, Legal Services to bring forward any necessary changes to the Residential Rental Property Demolition and Conversion Control By-law, Chapter 667 of the Municipal Code and report back in 2023, in order to include reference to the Centralized Affordable Rental Housing Access System for affordable replacement rental units without a returning tenant and potential remedies for non-compliance.

6. City Council amend the local priority rules as part of the Service Manager's system under the Housing Services Act, 2011 for selecting households from those waiting for

rent-geared-to-income (RGI) assistance such that the following will apply effective July 1, 2023, ranked in the following order of priority:

- a. Over-housed households
- b. Terminally Ill
- c. Tenants living in an RGI unit administered by the City as Service Manager receiving housing supports that are now capable of living independent of the support services
- d. Applicants experiencing homelessness, including homeless newcomers, where every fifth RGI vacancy is filled by a household experiencing homelessness
- e. Youth, who are 16 or 17 years old at the time of applying for RGI, applying independent of an adult, where every seventh RGI vacancy is filled with a youth household
- f. Indigenous peoples, where every tenth RGI vacancy is filled by an Indigenous household

7. City Council direct the Executive Director, Housing Secretariat to report on the Centralized Affordable Rental Housing Access System and the RGI local priority rules through the HousingTO 2020-2030 Action Plan annual progress reports.

FINANCIAL IMPACT

There is no financial impact resulting from this report. Funding that may be required will be accommodated within the approved 2022 Housing Secretariat Operating Budget.

Capital and operating costs, resulting from the development and operation of the Centralized Affordable Rental Housing Access System will be included in the 2023 and subsequent budget submissions for the Housing Secretariat.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

On April 6, 2022, City Council adopted Item AU 11.3 – "Revisiting Legacy Rental Replacement Policies to Align them when the City's Affordable Rental Housing Expectations," from the Auditor General. This report included recommendations for the City to enhance its City Planning agreements and processes to better align with the City's priorities for making affordable rental replacement housing accessible to all households based on financial need. This includes: 1) Strengthening requirements for offering affordable rental replacement units through fair, open and transparent processes; 2) Standardizing affordable rental housing eligibility requirements including updating Section 111 Agreements; and 3) Harmonizing processes and requirements for administering affordable rental housing.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.AU11.3>

On February 15, 2022, Planning and Housing Committee adopted Item PH 31.5 – "New Centralized Affordable Housing Access System: Consultation Findings and Concept Design." This report summarized the consultation findings, conducted in 2021, which informed the concept design for the Centralized Affordable Rental Housing Access System.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PH31.5>

On November 9, 2021, City Council adopted Item PH28.4 – "Official Plan Amendment on Updating the Definitions of Affordable Rental and Ownership Housing." This report recommended an amendment to the Official Plan to update the definition of affordable housing based on incomes instead of market rents, in an effort to better respond to the housing needs of low and moderate income households.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH28.4>

On April 22, 2021, Planning and Housing Committee referred the report, PH22.10 – "Creation of a Fair and Streamlined Access System for Affordable Housing" to the General Manager, Shelter, Support and Housing Administration, the Chief Planner and Executive Director, City Planning, and the Executive Director, Housing Secretariat with a request to report back to Planning and Housing following additional engagement with stakeholders to inform the design of a new affordable housing access system that leverages the City's current choice-based system.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH22.10>

On October 27, 2020, City Council adopted Item PH17.3 – "Taking Action to Increase Affordable and Supportive Housing Opportunities." This report summarized the actions taken by staff in preparation for impending federal funding through the national Rapid Housing Initiative, as well as details on the City's plans to pivot from emergency responses to permanent housing solutions. Through this item, City Council requested that staff report back with an implementation plan that establishes transparent access plans for new affordable housing units and a process to ensure compliance. City Council also requested that staff review compliance of existing agreements that secure rental replacements to ensure that owners are advertising and filling units in a fair and open process.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH17.3>

On December 17, 2019, City Council adopted Item PH11.5 – "HousingTO 2020-2030 Action Plan". The HousingTO 2020-2030 Action Plan provides the strategic framework to guide the City's efforts on housing and homelessness needs over the next ten years. Action 22 of this Plan is for the City to modernize and simplify access to social and affordable housing by developing and implementing a transparent access system for new affordable housing opportunities.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

On September 18, 2019, Bid Award Panel reviewed and adopted BA44.9, "Award of Vendor of Record (VOR) Arrangement No. 17290 to Yardi Canada Ltd. For Integrated Housing Management System," to procure a choice-based housing access I&T system.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.BA44.9>

On July 16, 2019, City Council adopted Item AU3.14 – "Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing," from the Auditor General. This report included recommendations for the City to improve the administration of its centralized waiting list for subsidized housing. One of these recommendations included reviewing the City's local priority rules for selecting households from the waiting list for rent-geared-to-income, and recommending any additional priority rules that should be adopted to support selection of households based on an applicant's level of need.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.AU3.14>

EQUITY IMPACT STATEMENT

The HousingTO 2020-2030 Action Plan envisions a city in which all residents have equal opportunity to develop to their full potential. The HousingTO 2020-2030 Action Plan is centred in a human rights-based approach to housing, which recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, inclusive and sustainable communities.

Advancing the recommendation in the Auditor General's report to review the priorities for RGI housing will ensure that the City's priorities align with populations in greatest housing need. In addition, while the City works to increase the supply of affordable rental housing to better address the needs of residents, it is important that affordable homes are offered and filled in a way that is fair, equitable and transparent. Through the creation of a centralized affordable rental housing access system, and based on stakeholder consultations including with applicants themselves, the City will improve the way it assesses housing needs, collects data, and allocates units.

COMMENTS

Housing Access

The [HousingTO 2020-2030 Action Plan](#) ("HousingTO Plan") envisions a city in which all residents have equal opportunity to develop their full potential. The HousingTO Plan includes guiding principles to identify individuals and groups in housing need and to provide equitable and measurable housing opportunities to promote better health, social and economic outcomes for people. To support this work, as outlined in the Toronto Housing Charter, the City adopts a human rights-based approach to housing that is rooted in several equity principles, including the principle that all residents have a right to equal treatment with respect to housing and that housing is essential to the inherent dignity and well-being of the person to have a right to a safe, secure and affordable home.

While the City provides housing access and supports across the housing continuum, this report recommends program and system updates to the City's social housing program, known as Rent-Geared-to-Income (RGI) housing and the Affordable Rental Local Priority Rules for Rent-Geared-to-Income Housing and Centralizing Access for Affordable Rental Housing

Housing program. The recommendations in this report include amendments to the existing RGI local priority rules and centralizing the allocation and administration of affordable rental housing, which will modernize and simplify access to housing opportunities for Torontonians in need of housing assistance.

Rent-Geared-to-Income Housing vs. Affordable Rental Housing

Rent-Geared-to-Income (RGI) housing is housing that is funded under legacy government programs that provides on-going deep housing subsidies to eligible applicants. This enables housing opportunities where rents are based on an individual household's ability to pay, rather than a predetermined affordability level. In a RGI unit, eligible tenants pay a rent that is calculated based on 30% of household income, with the difference subsidized by the City, while generally serving low income households.

Affordable housing rent levels help fill the gap between market rental housing and RGI housing. Affordable housing rent levels [are at or below average market rent](#), as determined by the Canada Mortgage and Housing Corporation (CMHC).

In November 2021, City Council adopted a new Official Plan definition of affordable rental housing that is aligned with incomes, instead of market rents. Once the new definition comes into effect, staff will bring forward changes to the Municipal Housing Facility By-Law to incorporate requirements for new projects to use the updated Official Plan affordable rental housing definition.

2022 Consultation Summary

The City procured the services of a third party consultant, PROCESS, to assist with the engagement and consultation process to inform the program recommendations for RGI and affordable rental housing. The consultation included engaging with community partners and people with lived experience to review the existing priority rules for RGI housing and to identify additional priorities; and to provide feedback on an allocation methodology to fill affordable rental housing units in a fair and transparent manner.

Consultations were conducted using an inclusive engagement approach to ensure equitable participation that addressed socio-economic barriers and accessibility challenges. Consultations consisted of quantitative and qualitative methods to engage the general public and key stakeholders. Residents were engaged through an online survey that was widely distributed through City Councillors offices, community groups and housing agencies, housing providers, key sector partners and advertised on the City's social media platforms. In addition, seven (7) targeted stakeholder meetings were held with people with lived experience (PWLE), representatives from a sample of social and affordable housing providers, members from the Lived Experience Caucus of the Toronto Alliance to End Homelessness (TAEH), the Housing Secretariat's Indigenous Roundtable, the Toronto Indigenous Community Advisory Board (TICAB), members from the Tenant Advisory Committee (TAC), seniors' advocates and City staff.

Since the priorities were last updated in 2002, there was positive feedback generally to review the RGI local priority rules. Participants reviewed the current local priority rules and provided feedback on groups that should be added or removed to the current local priorities. Feedback indicated the need to ensure people who are experiencing chronic homelessness, equity-deserving groups, vulnerable populations and Indigenous peoples be prioritized. A few participants also indicated that households with a terminally ill priority should be offered housing opportunities through alternative housing pathways, in partnership with health sector partners, to support households who have less than two years to live, as the majority of these households require supports not provided by social housing providers.

Some participants were concerned about adding an extensive list of priorities for RGI, which would ultimately limit the opportunity for households that do not have a priority status to be housed. As a result, there was general feedback for the City to explore opportunities for households to be able to move within the housing continuum to find permanent housing solutions and to create flow through the system when homes become available.

Public feedback and key stakeholders indicated strong support to allocate affordable rental housing units to people who are in housing need and who have been waiting the longest for a home. Many were concerned that the random draw method is an unequitable or unfair approach to allocating limited units of affordable housing. Despite this method currently being used in several American jurisdictions, the sentiment was that a random draw approach does not allow for those in need to plan and anticipate the length of time before an affordable home may become available. There was a general consensus to allocate affordable rental homes using a chronological method as the most fair and transparent method.

Rent-Geared-to-Income Housing

A. Current Local Priority Rules for RGI

The City of Toronto, as Service Manager, is assigned responsibilities for the administration and funding of RGI under the Housing Services Act (HSA). As Service Manager, the City has the ability to establish local policies, referred to as local rules, in order to administer, implement and allocate RGI housing in an equitable and consistent manner. The province has legislated an RGI priority for victims of abuse and human trafficking, known as Special Priority Program (SPP). In addition to the provincial priority, City Council adopted the following local priority rules, ranked in order of priority, in 2002:

1. Terminally Ill

Households where a member has a terminal illness or a life threatening medical condition in which they only have less than two (2) years to live, which must be demonstrated through a licensed physician's medical opinion.

2. Overhoused Households

Tenants already living in an RGI unit that need to be transferred to a smaller unit due to changes in their household composition, in accordance to the Local Occupancy Standards. For example, a household of one person living in two-bedroom unit.

3. Disadvantaged Groups

The following disadvantaged applicants, who are able to live independently without the provision of ongoing support services, are designated using a disadvantaged code and every seventh RGI vacancy must be filled by:

- Households experiencing homelessness, those in shelter or sleeping rough, including newcomers experiencing homelessness
- Families separated due to unsuitable housing (vulnerable families)
- Youth who are 16 or 17 years old at the time of applying for RGI housing

The local priority rules are managed through MyAccesstoHousingTO, a modernized system to allocate RGI units to eligible applicants on the centralized waiting list that was launched January 1, 2022.

The Auditor General's report, [Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing](#), was adopted by City Council in July 2019, and includes recommendations to improve the administration of the centralized waiting list for rent-geared-to-income (RGI) housing.

Recommendation 10 from the Auditor General directs staff to:

"Review the City's local priority rules for selecting households from the waiting list for rent-geared-to-income housing and recommend any additional priority rules that should be adopted to support selection of households based on an applicant's level of need."

B. Local RGI Priority Rules – Proposed Amendments

In response to the Auditor General's request to recommend additional priority rules for RGI, the following amendments are proposed to ensure that the local priority rules reflect the City of Toronto's current landscape for households in need of social housing and align with the strategic actions outlined in the HousingTO Plan.

Subject to Council approval of this report, the following two (2) priority groups will be added to the existing RGI local priority rules, which will take effect July 1, 2023:

- *Tenants living in an RGI unit administered by the City as Service Manager receiving housing supports that are now capable of living independent of the support services*

Households currently living in an RGI unit administered by the City as Service Manager with housing supports who have demonstrated to the satisfaction of the supportive housing agency that they are capable of living independently, will have the opportunity to transition to an RGI unit with reduced or no support services with the tenant's consent.

This will allow for RGI units with support services to be made available to people who are in need of housing with supports including those experiencing homelessness, and transition households who are able to live independently to a non-supportive RGI unit, creating flow through the housing continuum. This priority will be implemented in consultation with the City's supportive housing sector.

- *Indigenous Priority*

In 2010, the City adopted the Statement of Commitment to the Aboriginal Communities of Toronto, and in 2015 City Council, in consultation with the Aboriginal Affairs Committee, identified eight Calls to Action from the Truth and Reconciliation Commission's final report as priorities for implementation by the City. Included in this is the call to action for the federal, provincial, territorial, and municipal governments to fully adopt and implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as the framework for reconciliation.

On April 6, 2022, City Council adopted the City of Toronto's first [Reconciliation Action Plan](#) to advance the truth, justice and reconciliation and builds on the City's existing commitments to Indigenous peoples. To advance this commitment, through the HousingTO Plan, The City has committed to allocating at least 5,000 new affordable rental homes for Indigenous communities and to prioritize Indigenous peoples for social housing opportunities. The City is underway to meeting this target through various housing programs and initiatives that prioritize Indigenous households. Examples include:

- Buildings with an Indigenous mandate, in which 1,241 RGI homes are dedicated towards Indigenous households
- Approving 5,200 new affordable and supportive housing homes for Indigenous residents delivered by Indigenous housing providers, in collaboration with Miziwe Biik Development Corporation
- Between 2021-2022, 201 housing benefits were approved for Indigenous households through the Canada-Ontario Housing Benefit (COHB) and the Toronto Transitional Housing Allowance Program (TTHAP) to deepen the levels of affordability
- Targeted homes for Indigenous people, through Open Door and the Multi-Unit Residential Acquisition Program, where approximately 139 homes are dedicated towards Indigenous households
- Prioritizing Indigenous households through Coordinated Access to ensure that Indigenous people experiencing homelessness can access housing opportunities and supports
- Over 200 Indigenous households were housed in 2020 and 2021 in various new and existing supportive housing homes
- Prioritizing Indigenous-led projects and allocating 20% of funding to an Indigenous funding stream to ensure culturally-appropriate and sufficient wraparound services are available for Indigenous people to remain housed
- In 2021, 122 Indigenous households were housed through the Toronto Community Housing Corporation's (TCHC) Rapid Rehousing initiative

To ensure that Indigenous households are prioritized across the City's housing programs, this report recommends adding a local RGI priority rule for Indigenous people as an additional housing pathway to meet the City's target. It is recommended that every tenth RGI vacancy through the current choice based system will be offered to an Indigenous household. Subject to City Council approval and based on past RGI trends of up to 3,000 RGI homes turning over per year (Attachment 1), it is anticipated that approximately 300 RGI homes will be allocated to Indigenous people annually, once implemented.

The City of Toronto is committed to reconciliation and supporting Indigenous peoples' right to self-determination by working inclusively with Indigenous communities to achieve equitable outcomes within their communities and day to day lives. In recognition of this and the need for Indigenous-led solutions, pending City Council's approval, the plan to implement an Indigenous priority for RGI will be co-developed with Indigenous partners, specifically on the identification of applicants.

C. Homeless Priority Amendment

As reported in the [2021 Streets Needs Assessment \(SNA\)](#), the key solution to people experiencing homelessness is access to affordable housing. More than three-quarters of respondents from the 2021 SNA reported being chronically homeless (homeless for six months or more in the past year) and 80% of respondents reported that more affordable housing and subsidized housing options are solutions to support people experiencing homelessness.

The City recognizes the importance of developing housing opportunities across the full housing spectrum to prevent homelessness and improve pathways to housing stability through housing initiatives that prioritize people experiencing homelessness. A priority for people experiencing homelessness is identified across a full range of housing initiatives, i.e. housing benefit programs, dedicated building mandates, TCHC's Rapid Rehousing Initiative, Coordinated Access and the Home for Good program, including approximately 400 RGI homes allocated annually through the existing RGI local priority rule (Attachment 1).

To support the need of subsidized housing options for people experiencing homelessness, it is recommended that every fifth RGI vacancy will be offered to an applicant with a homeless priority. This is an amendment to the current RGI local rule, in which every seventh RGI vacancy is offered to a household experiencing homelessness through the choice-based system. This priority will apply to people experiencing homelessness, those in shelter or sleeping rough, including newcomers experiencing homelessness.

This amendment to the homeless priority aligns with the priorities outlined in the 2021 Shelter, Support and Housing Administration's (SSHA) [Homelessness Solutions Service Plan](#), which was adopted by City Council on November 9, 2021. The Service Plan identifies a review of the City's local priority rules to ensure that the allocation of RGI housing effectively contributes to the goal of reducing chronic homelessness, reducing homelessness overall, and reducing homelessness for equity-deserving groups who are overrepresented in the homeless population. Housing Secretariat, in collaboration with

SSHA, will explore options that align the homeless RGI priority with SSHA's prioritization framework and Coordinated Access approach to streamline how people experiencing homelessness are prioritized for opportunities across the housing spectrum.

D. Removing the Vulnerable Families Priority from the existing RGI Priority Rules

Families separated due to unsuitable housing are households referred by a child welfare agency and include an indication that the families are separated due to unsuitable, inadequate or lack of affordable housing. Previously, households that were working with Children's Aid Society (CAS) to receive custody of their child/children were required to prove to CAS that their homes was suitable and adequate, before a child can return to the care of the parent/guardian.

This process has changed and CAS no longer requires that a household needs to prove that their housing situation is stable, ultimately removing the housing barrier for family reunification under the updated CAS framework. As a result, there is a sharp decline in RGI applications for this priority and as of May 2022, there are 26 households remaining on the Centralized Waitlist with this priority. The Housing Secretariat recommends removing this priority from the existing RGI local priority rules.

Subject to City Council approval of this report, the Housing Secretariat will implement a transition plan to phase out the vulnerable families priority:

- Applicants currently on the Centralized Waitlist with a vulnerable family priority will continue to be housed as an RGI priority until this priority list is exhausted
- Effective July 20, 2022, residents applying for RGI housing will no longer be assessed for the vulnerable family priority.

E. Data Strategy: Ongoing Plan to review RGI Local Priorities

Through the City's Housing Data Strategy, the Housing Secretariat recognizes the importance of implementing monitoring procedures and assessing the City's investments to help improve the housing system and to identify alternate approaches to ensure Toronto residents are provided a range of housing opportunities.

The Housing Secretariat has implemented monitoring mechanisms to improve the data collection of residents housed in RGI units. With the launch of MyAccessToHousingTO, the Housing Secretariat has started to collect race-based and equity data, on a voluntary basis, through self-declaration on the RGI application form. This will provide evidence-based data to analyze the people currently applying and housed for RGI housing. This information will be used to identify any gaps in priority targets and to propose amendments to the RGI local priority rules, moving forward. The Housing Secretariat will report to City Council on the impact of the amendments to the RGI priorities through the HousingTO 2020-2030 Action Plan progress reports.

Affordable Rental Housing

The HousingTO Plan establishes a target of approving 40,000 new affordable rental homes, including 18,000 supportive homes by 2030. While the City works to increase

the supply of affordable and supportive homes to meet this target, it is important that these new homes are filled in a way that is fair, transparent, efficient, and equitable.

To that end, the HousingTO Plan includes a recommendation to develop and implement a Centralized Housing Access System for new affordable rental and supportive housing opportunities and housing benefits which strategically aligns new housing opportunities with population-specific needs and targets.

A. Implementing a Centralized Affordable Rental Housing Access System

Subject to City Council approval of this report, the second phase of the choice-based system's life cycle development is to expand the current system, MyAccesstoHousingTO, to allow for the integration of the affordable rental homes. This will allow:

- (1) Eligible applicants to search and apply to affordable rental units;
- (2) Housing providers to advertise and fill affordable rental housing units; and
- (3) The City to administer and monitor units created from the City's affordable rental housing programs.

To support the integration between the access points for affordable and RGI housing, this implementation will allow for a one-window housing access system, to create a single entry point to allow eligible applicants to apply for RGI and/or affordable rental homes.

Key differences between the current and future access model can be found in Attachment 2.

B. Benefits of a Centralized System for Affordable Rental Housing

1. Applicants are accustomed to using a Choice-Based System

Leveraging the existing choice-based system will allow for affordable rental homes to be filled using a system that is consistent with what applicants are currently using and will allow homes to be filled in a transparent, consistent, accessible and fair manner. Utilizing the same system will create efficiencies and fluidity in housing applicants that may be eligible for rent-geared-to-income housing, affordable rental housing or potentially both programs.

2. Expansion of New Affordable Rental Housing Opportunities

New affordable rental housing opportunities will continue to expand and will require a centralized system for applicants to view and express interest on homes and to provide housing providers the tools to advertise and fill homes using a user-friendly interface.

3. Program Alignment between City Divisions

Affordable Rental Housing is developed and operated by private and non-profit housing providers under various agreements with the City. Agreement and administration terms vary across housing programs. There are two key divisions involved in affordable rental housing development and oversight:

- The Housing Secretariat creates partnerships with housing providers to increase the supply of affordable rental housing through programs such as Open Door and Housing Now and is responsible for the ongoing administration of homes, provides oversight to ensure contractual compliance of rent levels and that units are being filled by households that meet eligibility and income requirements.
- City Planning oversees units created or secured through Official Plan policies, including rental replacement units, new affordable housing secured as a community benefit, and forthcoming Inclusionary Zoning units, which have different administrative requirements and compliance remedies than those developed by the Housing Secretariat.

As such, there is a growing need to coordinate the administration of all affordable rental homes being delivered across multiple divisions and provide transparent access to these homes for members of the public through a centralized housing access system.

C. Allocating Affordable Rental Homes: Current Process

The rents established through the City's affordable rental housing initiatives are intended to suit the housing needs of low to medium-income households through programs such as Open Door and Housing Now. In a single housing project, there may be affordable homes in which the rent is solely based on average market rent, which is currently filled through a random draw process conducted by the housing provider; and there may, in the majority of affordable projects, be affordable homes that are provided to tenants in receipt of a housing benefit or rent supplement, to deepen the levels of affordability for low-income households, which are filled in accordance with the Housing Services Act (HSA).

In addition, there can be housing projects that are filled through referral agreements, where homes are set aside by an approved mandate and filled by the housing provider for a specific priority population, i.e. people experiencing homelessness, seniors, and Indigenous peoples.

Allocating affordable rental homes with a subsidy attached will continue to be filled, in accordance with the HSA. This report seeks City Council authority to adopt the proposed allocation methodology for affordable homes at which rents are set at or below 100% average market rent, as determined by CMHC and defined as affordable housing in the Municipal Housing Facility By-law. Forthcoming changes to the Municipal Housing Facility By-law, as a result of the new affordable rental definition, will be used to allocate new affordable rental homes through the system.

D. Other Jurisdictions

The City's Customer Experience Transformation and Innovation team conducted a jurisdictional scan to analyze the allocation methodologies of affordable rental homes. Many jurisdictions are currently reviewing their policy and programs on how to allocate affordable rental homes. New York, Boston and San Francisco have recently updated their policy and offer different forms of a random draw process for allocating affordable rental homes. Alternatively, many Canadian jurisdictions have approved housing

providers to determine how to allocate affordable homes for their project, however, the scan indicated that this is primarily conducted through a waitlist.

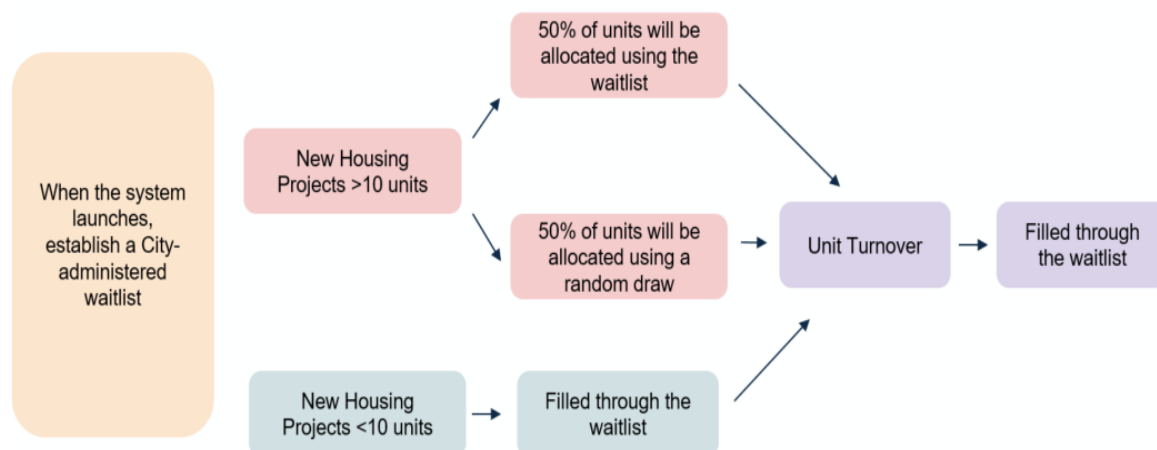
E. Proposed New Allocation Methodology for Affordable Rental Homes

In recent years, all levels of government have taken steps to adopt a human rights based approach to housing policy and programs. The proposed allocation methodology is a critical step in advancing the progressive realization of the right to housing as envisioned by the Toronto Housing Charter. The proposed allocation methodology was informed through consultations with the general public and key stakeholders and will be implemented as an element in the Centralized Affordable Rental Housing Access System to ensure housing providers are allocating affordable homes in a transparent, equitable and fair manner.

The Housing Secretariat and City Planning will be engaging with existing housing providers and new housing providers to encourage them to use the system, once it is launched, to advertise and fill affordable homes developed through housing initiatives including Open Door, Housing Now, and future housing programs that are developed to increase the supply of affordable rental homes in the City.

The proposed methodology will be using a choice-based process, where applicants will see the home/building features and make an informed decision on the selection of units they would like to express interest in.

Figure 1: Proposed Allocation Methodology for Affordable Rental Homes



As shown in Figure 1 above, the proposed allocation methodology encompasses three components:

1. Create an affordable rental housing waitlist

Through the Centralized Affordable Rental Housing Access System, a waitlist will be established once the system is launched and eligible applicants will be added to the established waitlist on a first come first serve basis, based on their date of application.

This method will allow for the integration of the Centralized Waitlist for RGI homes with affordable rental housing to ensure eligible applicants that are currently on the waitlist for RGI can view and express interest in affordable rental homes, pending discussion with the choice-based vendor.

2. Allocating affordable rental housing units

Housing projects with a minimum of 10 units will be allocated through a hybrid model, where 50% of units will be allocated using the established waitlist, described above, and the other 50% units will be allocated through a random draw process open to all eligible applicants on the waitlist.

Housing projects with less than 10 units will be allocated using the chronological waitlist.

This hybrid model offers an innovative approach to the allocation of housing units that combines the benefits of both a random and chronological methodology. This approach allows newcomers to the City of Toronto and those whose financial or specific interest in a new development the opportunity to access a unit in a new development while also responding to the consultation feedback that clearly indicated a desire for an orderly approach provided by a chronological waiting list that favours those waiting the longest for affordable housing in a choice-based model. Eligible households on the waitlist will have the opportunity to express interest in random draw opportunities, pending system functionalities.

3. Allocating affordable rental units upon unit turnover

Upon unit turnover, all units will be allocated through the established waitlist.

The Housing Secretariat will be exploring program enhancements to the City's affordable rental housing program and will report to City Council prior to the implementation of the Centralized Affordable Rental Housing Access System on any program enhancements that are required to ensure alignment with the recommended allocation methodology, including any identified priorities for affordable housing.

The Housing Secretariat is committed to improving tracking and reporting on the progress and status of housing projects. As part of the Data Strategy outlined in the HousingTO Plan, the system will be designed to ensure data and tracking mechanisms are embedded to monitor and review the housing outcomes, which will inform future changes that may be necessary or to identify alternative approaches to ensure equitable outcomes for Toronto residents accessing affordable rental opportunities.

The process map of the proposed allocation methodology can be found in Attachment 3 for City Council approval.

City Planning Alignment

City Planning oversees affordable units created or secured through Official Plan policies, including rental replacement units and affordable housing secured as a community benefit. Once fully implemented, Inclusionary Zoning units will be secured by City Planning as part of site specific planning approvals.

As part of various recent legal agreements for affordable replacement rental and new affordable rental units, staff have negotiated the use of the Centralized Affordable Rental Housing Access System, once in operation, and income eligibility requirements. Going forward, new affordable rental units created by City Planning are proposed to be administered by the Housing Secretariat and all new affordable rental units without returning tenants would be required to use the centralized housing access system for tenant selection and reporting.

Affordable rental replacement units without returning tenants will be integrated into the centralized affordable rental housing access system and subject to tenant income restrictions at first occupancy, as defined in the Affordable Rental Housing - Eligibility and Income Verification Guide 2020. Changes to the *Residential Rental Property Demolition and Conversion Control By-law*, Chapter 667 of the Municipal Code are proposed to be brought forward in 2023 in order to detail tenant eligibility and income verification requirements for affordable replacement rental units without a returning tenant as well as potential remedies, in the event a housing provider does not use the centralized housing access system.

New mid-range and high-end replacement rental units, as well as affordable ownership units secured through Inclusionary Zoning, will continue to be administered by City Planning. These mid-range and high-end replacement rental units will not be subject to tenant income limits and owners will be required to continue making these units available to the general public through a fair, open, and transparent process consistent with standard rental practices. Additionally, owners with older legal agreements will not be required to use the new system to rent remaining affordable replacement rental units, however, will be encouraged to use the system once in place. Staff are currently developing guidelines that will be provided to housing providers of mid-range and high-end rental replacement units detailing how units should be advertised and rented in order to ensure units are made available on a fair and open basis.

Next Steps

Subject to City Council approval, the Housing Secretariat will:

- Submit a budget request to City Council through the 2023 Budget Process to ensure capital and operating resources are secured for the development and build of the Centralized Affordable Rental Housing Access System

- Negotiate and amend the existing contract with the choice-based vendor to design and develop the Centralized Affordable Rental Housing Access System
- Work with the choice-based vendor to design and implement the Centralized Affordable Rental Housing Access System with the Council-approved affordable rental housing allocation methodology
- Implement the City Council approved priority rules for RGI, effective July 1, 2023
- Collaborate with City Planning to align access requirements with the Housing Secretariat to administer affordable rental housing
- Report to City Council through the HousingTO 2020-2030 Action Plan progress reports on the Centralized Affordable Rental Housing Access System and the local RGI priority rules

Conclusion

Improving residents' access to housing opportunities and streamlining the administration of housing opportunities are key priorities for the City of Toronto. The City is committed to improving transparency, fairness, accountability and equity in the way that housing is allocated. This report provides program and system recommendations to advance the City's initiatives to ensure housing opportunities are available to Toronto residents.

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ATTACHMENTS

Attachment 1: RGI Units Allocated in 2019, 2020 and 2021

Attachment 2: Key Differences between the Current and Future Housing Access Model for the Affordable Rental Housing Program

Attachment 3: Allocation Methodology for Affordable Rental Housing Units

Attachment 1

RGI Units Allocated in 2019, 2020 and 2021

In total, between 2000-3000 applicants on the Centralized Waitlist are housed every year in an RGI unit. Between 17%-26% of the total number of RGI applicants housed per year have an SPP priority, 6% have a terminally ill priority, 1% are overhoused and between 15%-21% are housed through a disadvantaged priority. Applicants that do not have a priority are included in the general list.

Housed by Applicant Category	2019	2020	2021
Special Priority Program (SPP)* *SPP is a priority set by the province	497 (17%)	581 (26%)	646 (23%)
Terminally Ill	190 (6%)	133 (6%)	182 (6%)
Over-Housed	40 (1%)	15 (<1%)	28 (1%)
Homeless/Youth/Separated Families	456 (15%)	463 (21%)	431 (15%)
General List	1,783 (60%)	1,036 (46%)	1,534 (54%)
Total Housed	2,966	2,228	2,821

Attachment 2
Key Differences between the Current and Future Housing Access Model for the Affordable Rental Housing Program

	Current State	Future State
Building/Vacancy Information	Housing providers advertise units through their own mediums (e.g. website, housing portals), sharing information such as unit size(s) available, accessibility features, and household eligibility and income requirements.	Applicants will receive detailed information about the building and detailed vacancy information through the system (such as unit size(s) available, accessibility features, and household eligibility and income requirements).
Expressing Interest	Applicants express interest in a unit based on the instructions provided by the housing provider, which may vary.	A Waitlist will be developed where applicants can upload eligibility documentation and view unit listings. Applicants will be able to express interest on available units.
Allocation Methodology	Applicants express interest by participating in a random draw that is conducted manually by the housing provider.	Allocate affordable units using the approved City Council methodology. The system will be able to apply additional criteria for prioritization for specific groups.
Making an Offer	Housing providers are currently reviewing large volume of applicants, which results in capacity challenges to manage large application manually.	The system will support housing providers in making an offer to applicants, removing the administrative responsibility of the housing provider through the system.
Provider Oversight	Limited data and once client is housed in an affordable rental unit.	More data and visibility to track and monitor applicants housed in affordable rental units which will inform policy and program development.
Application Process	Application process is paper-based.	Mobile-enabled online process.

Attachment 3

Allocation Methodology for Affordable Rental Units

Pending City Council approval of this report, the following allocation will be used to fill affordable rental units through the Centralized Affordable Rental Housing Access System, once in operation.

