April, 2002

Quick Links
- Service Manager Update - April, 2002
You must download Adobe Acrobat Reader (version 4.0 or above) to view/print PDF documents. More information...

Service Manager Update
For the month of April, 2002

Message from the Assistant Deputy Minister

The second and final stage of social housing transfers is now all but complete, with the final transfer to the City of Toronto on May 1st. With the Toronto transfer, the Ministry will have successfully met the timelines legislated in the *Social Housing Reform Act, 2000*. Our success is a credit to the teamwork you, as Service Managers, and ministry staff have demonstrated in managing this substantial and complex business transfer.

Your staff have now received the ministry training and materials necessary to take on the administration of the social housing business, and I am confident that these tools, along with the legislative and regulatory authority, will enable you to effectively administer the social housing in your service areas.

Another mechanism recently put in place to assist Service Managers is the Social Housing Services Corporation. This corporation was established under the legislation to generate cost savings for both municipalities and housing providers in the delivery of social housing. The SHSC will manage a range of social housing services across the province with a view to providing financial and administrative benefits for Service Managers and social housing providers. See the article about the corporation in this newsletter.)

As our work in transferring the social housing business wraps up, we are looking closely at our future role in the social housing business. As you are aware, the ministry will retain some residual functions related to mortgages, risk management, and the protection of provincial interests. These residual functions will be the responsibility of
the Social Housing Branch. However, since the ministry's role will be significantly reduced, the restructuring within the ministry will continue over the upcoming months, including the eventual closure of branches and regional and area offices. With the completion of the second-stage transfers, we are now entering a point where, over the next few months, the Social Housing Branch will have a more direct relationship with Service Managers. The next issue of Service Manager Update will highlight some of the activities being put in place to support that new relationship. In the meantime, SHB staff will begin to contact you directly on some of the branch's activities.

Sincerely,

Lynn M. MacDonald
Assistant Deputy Minister
Social Housing Business Division

Stage Two Transfers Almost Complete

On April 1st, another 10 Service Managers assumed full responsibility for social housing in their service areas, bringing the total number of stage two transfers completed to 46 of the 47 service areas. Toronto will be the final transfer, on May 1st.

In addition to the public housing portfolio transferred in January 2001, more than 1,150 non-profit and co-op housing providers in the 46 service areas are now being directly administered by Service Managers.

The ministry has also begun transferring to Service Managers some of those projects that were excluded at the primary point of transfer in each service area. This work will continue throughout the remainder of the fiscal year.

Social Housing Services Corporation Now Up and Running

The Social Housing Services Corporation (SHSC) - a municipally-controlled corporation set up to manage certain social housing services across the province - has officially begun its work.

The founding board of the corporation met for the first time in mid-March. "Our goal is to make the corporation a valuable asset to Service Managers and social housing providers," says Chair and Chief Executive Officer Dr. Gordon Chong. "We will work to shape a self-supporting organization that is responsive to its members' needs. "

The SHSC was created under the *Social Housing Reform Act, 2000* to provide a cost-effective and efficient means of managing specific social housing functions following the transfer of social housing from the province to the municipal level. The province will fund the corporation for the first three years of its operation, until December 31, 2004.

The corporation is designed to manage four services that can be delivered on a province-wide basis: group insurance, bulk purchasing schemes for goods and services, pooling of provider capital reserve funds, and best practices programs. By identifying innovative approaches and by taking advantage of economies of scale, the corporation will benefit both Service Managers and housing providers through significant cost-savings and efficiencies in service delivery across a broad portfolio.

The corporation is set to assume existing agreements for the bulk gas purchasing and the administration of group insurance programs from the Ministry of Municipal Affairs and Housing on May 1, 2002. From that point until the expiration of these agreements, the corporation will work with Service Managers to design the best possible programs for all its stakeholders.

The corporation is also responsible for working with both Service Managers and housing providers to identify best practices and performance indicators. The SHSC, in tandem with the ministry, is also designing the program for the investment of providers' capital reserves.

"Constructive input is critical to the corporation's success," Gordon says. "Every Service Manager is a member of the corporation, as are all prescribed housing providers, and we want to hear from them about how best to manage the four programs. To that end, we've been doing some preliminary outreach by arranging to speak to Service Managers at regional meetings. We'll also be asking stakeholders to participate in surveys, focus groups, and other processes to get their ideas and comments."

The founding board of the corporation consists of Chair Gordon Chong and 14 members selected by the Minister of Municipal Affairs and Housing, representing Service Managers and non-profit and co-operative housing providers. The first board is transitional, to be replaced over the next three years by permanent members selected by municipal and social housing provider representatives.

Social Housing Service Corporation Board:

- Dr. Gordon Chong, Chair
- Lynn Aikman, Administrator, Legion Village 96 Seniors Residence, Brockville
- Bas Balkissoon, Councillor, City of Toronto
- Derek Ballantyne, CEO, Toronto Community Housing Corporation
- Phil Brown, General Manager, Shelter, Housing & Support Division, City of Toronto
- Merv Hughes, Social Housing Manager, Norfolk County
- Ken Lawson, Co-ordinator, Cardinius Housing Co-op, Ottawa
- Roger Maloney, CAO, Region of Peel
- Don McCausland, Mayor, Township of Grey Highland
- Edward Metzler, Councillor, City of Thunder Bay
- Keith Moyer, Community Co-ordinator, Beechwood Co-op Homes, Waterloo
- Andrew Paton, former Toronto Councillor and former MTHA board member
- Howard Robinson, councillor, City of Kawartha Lakes, and former board member of Lindsay Non-Profit Housing Corporation
- Dr. Gerald Rogers, Deputy Mayor, Town of Hanover
- Margaret Singleton, General Manager, City of Ottawa Non-Profit Housing Corporation

The corporation has retained an executive director, Lindsey Reed, and a small staff. Its offices are located 390 Bay Street, Suite 612, Toronto, M5H 2Y2. Service Managers with questions or suggestions for the corporation are encouraged to contact Lindsey by email at lreed@shscorp.ca, or by phone at 416-594-9325.

Tips and Strategies - Point of Transfer and Beyond...

Each month, this section features excerpts from interviews with Service Manager staff representatives who are now managing the social housing programs in their service areas.

Muskoka

The District of Muskoka assumed responsibility for non-profit housing in its service area in February of this year. The Muskoka service area includes 7 housing providers, plus the former Local Housing Corporation (LHC), which has now been folded into the District's operations. Ian Turnbull, Commissioner of Community Services, and Heather Moore, Housing Manager, discuss their experiences.

Ian: "In general, it's been a very smooth transfer. We had a solid plan, and things have more or less unfolded as we expected them to.

"We've relied on internal expertise from the beginning for a "made in Muskoka" solution. We put together a team of staff from the District - Community Services as well as Finance and Corporate Services, and housing people from the former Local Housing Authority. We'd previously made the decision to bring the LHA staff to the District and wrap up the LHC, which we did in December of 2001.

"As the former housing manager of the LHA, Heather brought a great deal of skill and knowledge, not only of the public housing portfolio, but also of the non-profit providers. The LHA had an excellent reputation in Muskoka, both with other providers and with District staff. Community Services staff had been attending LHA board meetings as far back as 1998. So there was a knowledge of the issues and an ability to be absolutely frank and open."

Heather: "Because we did the Joint Local Transfer Plan ourselves, we sort of became experts - pored over the legislation and regulations to try to figure out realistically how to meet the requirements."

Ian: "Even before housing became part of the mix, the District adopted a vision statement for community services that guides our operations. We want to integrate services to the client - to try to come at it from a perspective of what's best for the client, and then how to do it the best we can, while respecting program differences and legislative requirements. Regardless of the service they need, our client should be able to walk through the door and get information on all services. In a year or so, we expect be fully integrated with one reception and phone number, as well as one overall business system. From there, we'll extend that kind of access to our community offices."

Heather: "One thing that helped us is that we already had a strong relationship with non-profit providers. We had all worked very closely together developing our coordinated access system in 1997 and 1998, so it wasn't a big adjustment for us. The trust and confidence was there."

Ian: "We have a series of advisory groups set up for all our community service sectors. The housing group involves all our providers, and will eventually include tenants. That group has been meeting monthly to work through everything we can possibly involve them in, so we get a product that meets their tenants' needs and our needs. This process keeps up aligned with providers' needs and with our own vision and business needs.

"Over the years, I've come to believe that the greatest efficiency doesn't necessarily come from centralization and uniformity. As a Service Manager, what we want to do is link sectors together through effective protocols, and find efficiencies through central processes - but respect and value the local identities of different providers and communities. We want to ensure equity in the level of service to clients, without imposing procedures that may limit their effectiveness."

How does Muskoka network with other Service Managers?

Ian: "Muskoka is in a unique situation. We're linked to central Ontario Service Managers through the Ministry of Municipal Affairs and Housing's Regional Office, so we have those contacts. And we're connected with northern Ontario Service Managers through Ministry of Community and Social Services and Ministry of Health programs. We've developed an effective northern network. There's a great deal of information to be shared and real benefit to be had by sharing it. We've been speaking by teleconference every month or so, and establishing networks by sector as well - social housing, Ontario Works, childcare, etc. We also rely on email to make informal requests - see how other Service Managers are handling an issue we're facing. And at the provincial level, we relate to other Service Managers through OMSSA (the Ontario Municipal Social Services Association)."

Heather: "As a former LHA manager, I have a whole network of colleagues through the Ministry's Central Regional Office, and I still have those contacts to look to informally."

Their advice to other Service Managers?

Ian: "Complete and total openness is number one. Try to inspire trust and confidence among all parties, then within the legislation and program rules, you can pretty much do anything."

Heather: "Lead by example. Everything you do, right down to how you greet a client, has to be done with a commitment to your ultimate vision. Support your providers and encourage them to be the best they can be."

Sault Ste. Marie DSSAB

The Sault Ste. Marie District Social Services Administration Board assumed responsibility for non-profit housing in its service area in March of this year. The Sault Ste. Marie service area includes 17 housing providers, plus the Local Housing Corporation (LHC). The DSSAB contracts with the City of Sault Ste. Marie for social housing administration. David Overboe, Commissioner of Social Services, Rick Cobean, Manager of Housing Programs, and Gary Avery, Manager of Social Housing, talk about their experiences to date.

Dave: "The social housing transfer has gone very well - lots of minor bumps, but the challenges are small compared to what we've achieved. And as far as clients are concerned, it's been very smooth. I don't think tenants have seen much change. I credit the smooth transition to good training from the Ministry, plus we've definitely benefited from the experience Rick gained on a secondment to the Ministry's area office." *[Rick, who had previously worked at the city's local housing authority, worked for the Ministry for three months as a housing administrator.]*

Rick: "We've developed a good working relationship with providers. We've been meeting with them every two weeks, to make sure they understand the new requirements, get their opinions on policies, and provide training. We'll probably change that to once a month over the next month or so.

"Where we can, we're looking for ways to provide value for providers - offering them model forms they can use to free up some of their time, for example. We're also looking at a "buying group" for day-to-day items for the non-profit providers, as well as including them in the LHC's tendering process." *[The LHC is by far the largest provider in the service area, with almost as many units as all the other providers combined.]*

Gary: "We see a significant number of resources at the LHC that could be shared with the other providers - purchasing and tendering, but also technical services and property management consultation. There are areas such as dealing with the Ontario Rental Housing Tribunal where the LHC has experience and expertise from taking cases there fairly regularly, while a smaller provider may only go to the tribunal once a year. The LHA managed a couple of small non-profits in the past, which has helped us to understand their concerns. And we had a relationship already in place with non-profits because of coordinated access."

Dave: "Early on we identified what providers were concerned about, and that guided our communications. We're trying to support providers as much as possible - make their work easier. We're making new demands on providers, and we're selling the new requirements by offering positive trade-offs where we can. For example, we're looking at developing an Intranet for providers to submit information electronically - something that can make their lives and ours easier."

Rick: "I think providers have generally been satisfied with the service they're getting from us. I know they've been pleased with the quick turnaround we're providing in budget reviews. It helps them with their own planning to know they can get their budgets reviewed and returned to them in five to ten days - and that process will be even faster in the future."

Rick: "Our regular meetings with providers are generally with staff, so over the next six months, we're planning to go out and meet with the boards of every provider, advise them of the regulations, and encourage a greater understanding and compliance. We had initial meetings with provider boards at the beginning of the process, and they were valuable. Boards steer the ship - by meeting with them, we set some good groundwork."

Dave: "I've found that a well-informed client is a more compliant client. If you tell people what's expected - and why - you'll have a lot more success. If you make an investment in communicating at the front end, you'll save yourself a lot of difficulties later on."

Gary: "We network both formally and informally with other Service Managers, and we're working with other northern Ontario Service Managers to establish some more formal protocols."

Dave: "We find a lot of experiences and issues in common with other northern Service Managers, though we're also talking to our colleagues in southern Ontario."

Rick: "Over the years, through the LHA system, there was a strong partnership with not only the public housing managers but also the Ministry of Municipal Affairs and Housing staff in our area. Due to a large number of these individuals finding employment with Service Managers, we have been able to not only continue but in most cases expand on these partnerships."

Their advice to other Service Managers?

Rick: "In terms of working with providers, giveout as much information as you can, and as much as they can soak in. The more information they have, the more comfortable they feel. That's been critical for us, for building trust."

Gary: "Maintain the relationships you'veestablished with people and organizations over the years, and look beyond those horizons to forge new partnerships."

Dave: "The two key words are communication and partnership. And build on what you have. We did a lot of homework before we made any changes - I'm all for change, but don't make change for its own sake."

Agreement Close on New Affordable Housing Program

The province hopes to sign an agreement with the federal government in the near future to create a new affordable housing program in Ontario.

The program will enable the building of new affordable housing with an average contribution of $25,000 per unit from public and private sector sources. It is expected that Service Managers will deliver the bulk of the program.

The federal government will contribute $680 million to the program in Ontario, with the province, municipalities, and private sector contributing matching funds.

Provincial contributions will include $20 million in new funding, directed to a new Provincial Sales Tax (PST) Grant Program similar to the one introduced in 1999, which provided grants to builders to offset the PST on materials used in constructing affordable housing units. Funds will also come from existing provincial programs.

Municipal programs that create affordable rental units, as well as concessions on municipal taxes, charges, and fees will count as contributions. Public/private sector partnerships will be encouraged.

The program will involve the development of as many as 10,000 affordable units, primarily modest rental units in areas with low vacancy rates. A portion of the units will be targeted towards urban home ownership. Some units will also be designated for remote areas of northern Ontario.

Ministry staff have met with a number of municipalities and municipal associations to get their input into negotiations with the federal government. More discussions with the municipal sector will take place once the agreement is in place.

Assuming the agreement with the federal government is signed shortly, final approval of the program is expected later this spring. Delegation agreements with key Service Managers could be in place by June, with Service Managers making proposal calls in the summer or early fall. The province hopes to see some building starts before the end of 2002.

Post-Transfer Assessments Starting this Month

The ministry is currently finalizing a post-transfer assessment process for Service Managers. This process is designed to review the progress made by Service Managers since assuming the social housing portfolio (including the public housing stock), assess their compliance with *Social Housing Reform Act, 2000* requirements, and ensure that any outstanding items noted in the point-of-transfer capacity assessment checklists have been adequately addressed. The review will be in the form of a checklist to be completed by each Service Manager. Comments on the proposed assessment process will be solicited from selected service managers prior to the commencement of the reviews. The ministry expects the post-transfer assessment process to be underway by June 2002.

Regulation Round-up

For a quick reference to new and amended regulations under the *Social Housing Reform Act, 2000*, see the ministry's website at http://www.mah.gov.on.ca/business/SHT/SHRA_Reg/shrareg-chart-e.pdf. The site provides a chart that is continually updated as regulations are amended.

Electronic links to individual consolidated regulations and amending regulations are included in the chart. Due to the current labour disruption, recent transfer orders and amendments are not yet available electronically on the Ontario Gazette or E-laws websites. While these recent changes can be accessed via the ministry's regulation chart at http://www.mah.gov.on.ca/business/SHT/SHRA_Reg/shra-reg-gaz.pdf , this information should not be viewed as a legal source. For matters requiring statutory interpretation, please refer to the actual regulations published in the March 30, 2002 issue of the *Ontario Gazette* (available in print format at most public and legal libraries).

Transfer Tools

The following implementation guidelines were recently sent to Service Managers. Electronic links are provided where the material has been posted on the ministry's website:

- Release 2, *Federal Housing Programs* (released in May 2001, and now available electronically) http://www.mah.gov.on.ca/business/SHT/smguide/smrelease2-e.pdf
- Release 19, *Guide to Risk Management* http://www.mah.gov.on.ca/business/SHT/smguide/smrelease19-e.pdf
- Release 21, *Draft Pro Forma Agreement respecting delegation of Part V Duties* http://www.mah.gov.on.ca/business/SHT/smguide/smrelease21-e.pdf
- Release 22, *Service Manager Transition AIR Reconciliation under the Social Housing Reform Act, 2000* http://www.mah.gov.on.ca/business/SHT/smguide/smrelease22-e.pdf

Please note that this release is an agreement between the ministry and the Service Manager, outlining the responsibilities of each in reconciling the Annual Information Returns of providers for the transition year of the social housing business transfer.

- Release 23, *Clarification on the use of Annual Information Returns for 2002* http://www.mah.gov.on.ca/business/SHT/smguide/smrelease23-e.pdf

Upcoming releases for Service Managers include a revised version of *Annual Information Returns for Service Managers* and the *Guide to the Funding Model.*

Frequently Asked Questions about the Social Housing Services Corporation

Here are the answers to some questions about the new Social Housing Services Corporation that ministry staff have been hearing from Service Managers.

Q1 Will service managers have to fund the costs of the SHSC---e.g., for managing the mortgage renewal and insurance renewal processes, investing the reserve funds for housing providers, or for bulk purchasing? What about funding after the first 3 years?

A1 The intent of the SHSC is to facilitate the cost-effective and efficient administration of collective social housing services that can be delivered on a province-wide basis. Under section 151 of the *Social Housing Reform Act, 2000* (SHRA), the Province has agreed to pay the costs of the corporation until December 31, 2004. Section 152 of the Act states that service managers are expected to pay the full costs of expenditures incurred by the SHSC on or after January 1, 2005.

Therefore, until January 1, 2005, the costs of administering the group insurance program, the bulk purchase of natural gas for LHCs, and the mortgage renewal process will be paid for by the Province. As the pooling of capital reserves for investment services is a new function that has not previously been funded by the province, costs for this activity could be covered by revenue earned from the pooling of reserves.

Q2 How will the capital reserve pool function for service managers and housing providers?

A2 The SHSC will be responsible for providing the Investment Program to non-profit and co-operative housing providers operating under provincial programs. Federal housing providers can participate voluntarily in the program developed for the pooling of capital reserves after receiving SHSC Board approval.

Once the Investment Program is established, each individual provider will work with the fund manager to invest its reserve funds in the pool. Each provider will have the opportunity to choose the best investment vehicle for its capital reserve funds, considering factors such as anticipated need, risk aversion, etc.

O. Reg. 339/01 allows housing providers to keep funds required for capital repairs on hand during the year 2002 rather than investing in the pool. To provide greater flexibility, the annual contribution to the reserve funds does not have to be contributed to the pool until several months after the year-end.

Q3 How will investment funds be accessed? Will current capital reserve funds have to be pooled when available for rollover?

A3 The Investment Program will have a diversified portfolio of investment funds, which will consist of short-term, medium-term and long-term investment funds. The investment portfolio will ensure that housing providers can access funds needed in the short term for emergency capital repairs.

It is expected that any funds the housing provider has invested in the capital reserve pool can be withdrawn on several days notice to the fund manager without penalty. While funds will be easy to access, it is not the intention to have the pool act like a bank. Therefore, multiple withdrawals throughout the year may generate extra costs for the housing provider.

If a housing provider is prescribed for the purposes of subsection 142(1)(c) of the Act, the housing provider shall participate in a system for pooling capital reserves for investment purposes and shall follow such investment policies referred to in that clause as may be established by the SHSC. This will mean that if the SHSC is established by the time a housing provider's current capital reserve term investments are rolling over, and the operating agreement has been terminated under section 91 of the Act, the housing provider will follow the investment policies as established by the SHSC. If the SHSC's capital reserve pooling system has not yet been established, regulations provide that investments made in a housing provider's capital reserve must mature no later than one year after acquisition, or must be cashable one year after acquisition.

Regular editions of *Service Manager Update* are published each month by the Ontario Ministry of Municipal Affairs and Housing to summarize important information that will assist Service Managers with the social housing business transfer.

Special editions will be published, if required, to provide Service Managers with time-sensitive information.

For more information, please contact your Area Transition Team.

Regular editions of Service Manager Update are published on the 15th of each month by the Ontario Ministry of Municipal Affairs and Housing to summarize important information that will assist service managers with the social housing business transfer.

Special editions will be published, if required, to provide service managers with time-sensitive information.

For more information, please contact your Area Transition Teams.