

# **PRIORITIES COMMITTEE AGENDA**

to be held on  
**Wednesday, June 23, 2004**  
at  
**7:00 p.m.**

**Councillor  
Terry Kett  
Chair**



**Councillor  
Frances Caldarelli  
Vice-Chair**



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**ELEVENTH MEETING OF THE PRIORITIES COMMITTEE  
TO BE HELD ON WEDNESDAY, JUNE 23, 2004 AT 7:00 P.M.  
IN THE COUNCIL CHAMBER, TOM DAVIES SQUARE**

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**(PLEASE ENSURE CELL PHONES AND PAGERS ARE TURNED OFF)**

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**COUNCILLOR KETT, IN THE CHAIR**

1. Declarations of Pecuniary Interest

**ANY ITEMS NOT DEALT WITH BY THE ADJOURNMENT HOUR OF  
10:00 P.M. WILL BE CARRIED OVER TO THE SEPTEMBER 15, 2004  
MEETING OF THE PRIORITIES COMMITTEE.**

**PRESENTATIONS/DELEGATIONS**

**PAGE NO.**

2. Report dated 2004-06-16 from the General Manager of Citizen & Leisure Services regarding the Parks, Open Space and Leisure Master Plan. **(ELECTRONIC PRESENTATION)** 1 - 2

- ▶ Ms. Jean Monteith, Monteith Brown Planning Consultants

(Planning Recommendation 2003-126 recommended the expansion of the Parks and Open Space Background Study, to include a Leisure Master Plan which would provide a framework for recreation planning and facility renewal and development over the next ten years. **Councillors are asked to bring their copy of the Parks, Open Space & Leisure MASTER PLAN, dated June 2004 from Monteith-Brown, with them to this meeting.**)

**RECOMMENDATION:** THAT Council receive the Parks, Open Space and Leisure Master Plan dated June 2004;

AND THAT staff be directed to develop a survey of Council in order to identify their key priorities;

AND THAT staff be directed to develop an implementation plan for the period 2004-2005, which implementation plan is to be presented to Council in the fall of 2004.

3. Joint report dated 2004-06-03 from the General Managers of Corporate Services and Economic Development & Planning Services regarding Store Closing By-Laws. **(ELECTRONIC PRESENTATION)** 3 - 10

- ▶ R. Swiddle, Director of Legal Services/City Solicitor
- ▶ D. Nadorozny, General Manager of Economic Development & Planning Services

**RECOMMENDATION:** THAT the Priorities Committee recommends to Council that the existing five Store Closing By-Laws of the Former Municipalities be repealed;

AND THAT the Priorities Committee provide direction on the issue of Store Closing Hours in the City of Greater Sudbury.

**MANAGERS' REPORTS**

- 4. Report dated 2004-06-14 from the General Manager of Health & Social Services regarding Execution of a Memorandum of Understanding for the Strong Communities Rent Supplement Program.

11 - 19

(This report requests Council to consider the City's ongoing participation in the Provincial Strong Communities Rent Supplement Program.)

**RECOMMENDATION:** THAT the General Manager of Health & Social Services and Clerk be authorized to sign the Memorandum of Understanding between the City of Greater Sudbury as Service Manager and the Minister of Municipal Affairs and Housing to enable participation in and funding of the Strong Communities Rent Supplement Program;

AND THAT the Director of Housing Services be authorized to implement and deliver the Strong Communities Rent Supplement Program;

AND THAT the Director of Housing Services be authorized to execute the necessary rent supplement agreements to implement the Strong Communities Rent Supplement Program provided;

- i. such agreements are in a form satisfactory to the City Solicitor; and
- ii. such agreements are in compliance with the program; and
- iii. the costs of such agreements does not exceed the fixed funding amounts provided by the provincial government.

THAT the Program be delivered in a manner consistent with current rent supplement programs.

**CORRESPONDENCE - INFORMATION ONLY**

{NONE}

**ADJOURNMENT** (10:00 P.M.) (RESOLUTION PREPARED)

***{MAJORITY REQUIRED TO PROCEED PAST 10:00 P.M.}***

2004-06-18

COUNCILLOR KETT  
CHAIR

CORRIE-JO CAPORALE  
COUNCIL SECRETARY

# **Presentations and Delegations**

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# Request for Recommendation Priorities Committee




Type of Decision									
Meeting Date	June 23, 2004				Report Date	June 16, 2004			
Decision Requested		Yes		No	Priority	X	High		Low
	Direction Only				Type of	X	Open		Closed

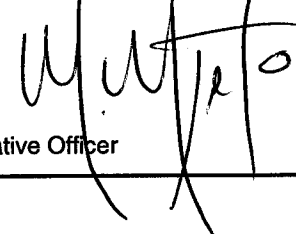
## Report Title

**Parks, Open Space and Leisure Master Plan**

Policy Implication + Budget Impact	
	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
Background Attached	

Recommendation	
	<p>That Council receive the Parks, Open Space and Leisure Master Plan dated June 2004 and;</p> <p>That staff be directed to develop a survey of Council in order to identify their key priorities and;</p> <p>That staff be directed to develop an implementation plan for the period 2004-2005, which implementation plan is to be presented to Council in the fall of 2004.</p>
Recommendation Continued	

Recommended by the General Manager	
	 Caroline Hallsworth General Manager, Citizen and Leisure Services

Recommended by the C.A.O.	
	 Mark Mieto Chief Administrative Officer

Report Prepared By	Division Review
Caroline Hallsworth General Manager, Citizen and Leisure Services	

**Executive Summary**

On July 8, 2003 the Planning Committee approved and Council ratified the expansion of the Parks and Open Space Background Study, which was a background paper to the Official Plan, to include a Leisure Master Plan which would provide a framework for recreation planning and facility renewal and development over the next ten years. (Resolution #2003-126)

**Background**

The Parks, Open Space and Leisure Master Plan will be presented to Council by Jean Monteith, President of Monteith Brown Planning Consultants. As described in the Leisure Master Plan itself,

*The Parks, Open Space and Leisure Master Plan addresses a broad variety of issues related to parks, open space, and leisure facilities, programs and services. Through in-depth analysis of public input, facility usage, demographic data, trends, and financial realities, the Master Plan identifies detailed strategies that will guide the ongoing provision and management of municipal parks and leisure services and facilities to the year 2014 and beyond.*

*The Master Plan examines all aspects of parks and leisure in an effort to address current and future needs in a prioritized, fiscally responsible, and community-responsive manner. The scope of the Plan is quite broad and addresses issues relating to infrastructure management and provision, facility requirements (e.g., parks, trails, arenas, soccer fields, etc.), and the delivery of services (e.g., leisure programs, community development, user fees, etc.).*

The Parks, Open Space and Leisure Master Plan contains in excess of fifty recommendations, many of which will require assignment of extensive resources if they are to move from recommendation to realization. As part of the process of identifying which recommendations contained within the Leisure Master Plan should be planned for action in the first year of plan implementation, Councillors will be surveyed in early July as to their priorities for implementation. Following receipt of the Leisure Master Plan and the survey of Councillors, staff will work over the summer months to develop an implementation plan for the period of 2004 - 2005 which implementation plan will be submitted to Council in September of 2004 for approval. The implementation plan will identify the opportunities and challenges presented by the actions planned for the first year of implementation, together with strategies to overcome challenges and move Council's priorities forward.

The Leisure Master Plan has been presented to Council under separate cover and is also available on the City of Greater Sudbury website.

# Request for Recommendation Priorities Committee



Type of Decision									
Meeting Date	June 23rd, 2004				Report Date	June 3rd, 2004			
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of	<input checked="" type="checkbox"/>	Open		Closed

**Report Title**

Store Closing By-Laws

**Policy Implication + Budget Impact**

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.

The policies of the former municipalities with respect to store hours have remained; it is recommended these be repealed or made uniform.

There is no budget impact.

Background Attached

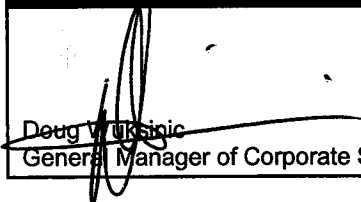
**Recommendation**

THAT the Priorities Committee recommends to Council that the existing five Store Closing By-Laws of the Former Municipalities be repealed;

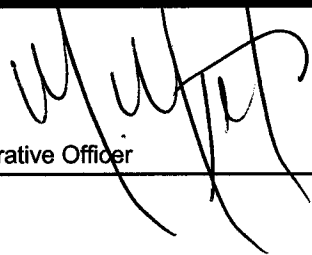
AND THAT the Priorities Committee provide direction on the issue of Store Closing Hours in the City of Greater Sudbury.

Recommendation Continued

**Recommended by the General Manager**


  
Doug Luksinic  
General Manager of Corporate Services

**Recommended by the C.A.O.**

  
Mark Mieto  
Chief Administrative Officer

**Report Prepared By**

**Division Review**

  
Ron Swiddle, City Solicitor and Doug Nadorozny,  
General Manager of Planning and Economic Development

**Background**

In November of 2003, City Council was presented with a request from the General Manager of the New Sudbury Shopping Centre. This request was for an exemption from the former City of Sudbury Store Closing By-Law for four Saturdays prior to Christmas.

Council passed a resolution turning down that request.

However, Council had a discussion on the larger issue of store closing (and holiday closing), and referred this larger issue and the staff recommendation to repeal the existing By-Laws to the new Council.

In the meantime, a request came forward from the New Sudbury Shopping Centre for an exception from the former City of Sudbury Store Closing By-Law for the Sears Store there to participate in a National Promotion until 9:00 p.m. on Saturday, May 1st.

Council passed a resolution turning down that specific request as well, but the larger issue has not been dealt with by Council.

**A. EXISTING SITUATION**

The existing situation is extremely complex and is not uniform across the City of Greater Sudbury. There is not one "Store Closing By-Law" in the City; there are areas without any limitation; there are three Store Hours By-Laws, and two Boxing Day Closure By-Laws. By-laws in some former municipalities remain in effect where passed, meaning that there are different rules for different stores in different parts of the City. Moreover, the five Closing By-Laws appear to be arbitrary and not reflective of current shopping practices.

There is also a sixth By-Law, which is not a Closing By-Law, but instead is a Permissive By-Law. It allows certain tradeshow to be open on Retail Business Holidays.

**1. The Former Towns of Walden and Onaping Falls, and the Previously Unorganized Areas Added to the City of Greater Sudbury**

There are no restrictions on shopping which relate to closing hours or related to holiday closing in any of these former municipalities or areas now forming part of the Greater City of Sudbury. Stores then are governed entirely by *Retail Business Holidays Act* and other Provincial Legislation, but they are not restricted by the City.

These unregulated settlements include Lively, Naughton, Levack, Onaping and Dowling.

## 2. Former Town of Nickel Centre

In the former Town of Nickel Centre, there is no By-Law regulating store hours or holiday closing with the exception of the former Town of Coniston. By virtue of a 1972 By-Law still in effect, ten classes of stores are required to be closed all day Wednesday of every week, except in a week of a public holiday and except the last two weeks of December.

These restricted stores are Hardware Stores, Furniture Stores, Fancy Goods Stores, Butcher Shops, Jewellery Stores, Tailor Shops, Dry Goods Stores, Barber Shops, Millinery Stores and Paint Shops. Although these stores must be closed on Wednesdays, there are no limited hours on Sundays. There are no limitations on any other stores.

These stores shall close at 6:00 p.m. on other days of the week except Tuesdays where they may be open until 9:00 p.m. Barber Shops must close at 7:00 p.m. except Tuesday and Saturday when they may be open until 9:00 p.m.

The remainder of the former Town of Nickel Centre, including Garson, Falconbridge, and Wahnapiatae is unregulated by any By-Law.

## 3. Former Town of Capreol

The former Town of Capreol is governed by a By-Law passed in 1978 and amended once in 1984. It provides that all stores shall be closed on:

- Monday, Tuesday, Wednesday from 6:00 p.m. to 7:00 a.m. (9:00 p.m. to 7:00 a.m. in December);
- Thursday, Friday, from 9:00 p.m. to 7:00 a.m.;
- Saturday from 6:00 p.m. to 7:00 a.m.;
- December 24<sup>th</sup> and on December 31<sup>st</sup> from 6:00 p.m.;
- Boxing Day, Civic Holiday, New Year's Day, Good Friday, Victoria Day, Dominion Day, Labour Day, Thanksgiving Day and any day proclaimed as a Civic Holiday;
- and that three classes of stores may be open until midnight on all days;
- and seven classes of businesses are exempt entirely.

The stores that may be open to midnight are Confectionary Stores, Neighbourhood Convenience Stores and Tobacco Stores. The seven classes of stores that are unrestricted are Drugstores, Florists, Fresh Fruit and Vegetable Shops, Public Garages, Souvenir Shops, Victualling Houses, and licensed Hotels and Taverns.

There are no restrictions on Sundays in Capreol.

## 4. Former City of Valley East and Former Town of Rayside-Balfour

Valley East and Rayside-Balfour store hours are not controlled with the exception of Boxing Day. By By-Laws passed in 1998, all classes of shops with seven exceptions must close on Boxing Day.

These seven exceptions are Bait Shops, Public Garages, Convenience / Confectionary Shops, Restaurants, Drugstores, Hotel / Motels, and Video Rental Shops.

These unregulated (except for Boxing Day) settlements include Val Therese, Hanmer, Val Caron, Blezard Valley, Chelmsford and Azilda.

## 5. Former City of Sudbury

The former City of Sudbury has in place a By-Law from 1984 that has been amended numerous times since. This By-Law requires the following:

- all stores shall be closed on Civic Holiday;
- all stores shall be closed on Boxing Day;
- all stores shall be closed to Monday to Friday from 9:00 p.m. to 5:00 a.m. and on Saturday from 6:00 p.m. to 5:00 a.m.;
- all stores shall be closed all day on Sundays;
- all stores shall close at 6:00 p.m. on December 24th and December 31<sup>st</sup>.

There are 18 classes of stores that are not affected by the above limitations and 15 classes that are only affected by the Civic holiday and Boxing Day holiday provisions.

These 18 unrestricted classes are:

- bait shops;
- bake shops;
- barber shops;
- beauty parlours
- confectionary shops
- drug stores
- florists
- fresh fruit and vegetable shops
- hat cleaning and blocking businesses
- marine supply shops
- neighbourhood convenience stores
- public garages
- shoe repair shops
- souvenir shops
- tobacco shops
- video cassette shops
- bookstores

The 15 classes only affected by Civic Holiday and Boxing Day are:

- bait shops;
- bake shops;
- barber shops;
- confectionery shops;
- drug stores;
- florists;
- fresh fruit and vegetable shops;
- hat cleaning and blocking businesses;
- marine supply shops;
- neighbourhood convenience stores;
- public garages;
- shoe shine shops;
- souvenir shops;
- tobacco shops
- bookstores

Drug stores may be open to 1:00 a.m.

Beauty Parlours and Shoe Repair Shops can be open 7 days a week to 9:00 p.m. and are exempt from the Christmas and New Year provisions.

There are similar special provisions for bait shops, specialty shops, barber shops, video cassette shops, video game shops, trade shows, book stores and building supply yards, all of which are slightly different.

These special provisions are as follows:

- drugstores must be closed from 1:00 a.m. to 5:00 a.m.;
- beauty parlours must be closed from 9:00 p.m. until 5:00 a.m.;
- in December, beauty shops and shoe repair shops may stay open until 10:00 p.m.;
- bait shops must be closed from 9:00 p.m. to 5:00 a.m.;
- bake shops, confectionary shops, florists and tobacco shops must close at 11:59 p.m. until 5:00 a.m.
- barber shops must be closed:
  - on January 2;
  - on Mondays except during weeks in which Christmas Day and New Year's Day fall on a day other than Monday or Sunday or in the week in which Good Friday falls, in which case they may be open until 9:00 p.m. On Tuesdays through Fridays they must close from 9:00 p.m. until 5:00 p.m. and on Saturdays and Sundays from 6:00 p.m. until 5:00 p.m.;
- video shops shall close from 11:59 p.m. until 5:00 a.m.;
- video game shops shall close from 11:59 pm. until 5:00 a.m.;
- trade shows shall be closed from 9:00 p.m. until 5:00 a.m. on Monday through Thursday from 10:00 p.m. until 5:00 a.m. on Friday and Saturday, and from 6:00 p.m. until 5:00 a.m. on Sunday;
- book stores shall be closed from 11:00 p.m. until 5:00 a.m.

## 6. Former Regional Municipality of Sudbury

A sixth By-Law must also be reviewed for the purpose of this report, but it is not a Store Closing By-Law; it is instead a Permissive By-Law.

In 1988, the former Region passed a By-Law, 88-13, that is still in effect in all parts of the City except the unorganized areas that were added to the new City.

This By-Law permits trade shows to operate on Retail Business Holidays. Trade shows are defined in the By-Law to mean shows organized by a promoter with a theme or general subject, and with a minimum of five individual merchants.

It is not recommended that Council change or repeal this By-Law at this time. Under the *Retail Business Holidays Act*, no such change or repeal could occur without a specific public hearing held on this By-Law.

This being the case, this By-Law is not referred to again in this Report, and should not be considered one of the five Store Closing By-Laws.

## **SUMMARY OF EXISTING SITUATION**

These five By-Laws create a very confusing situation over the City Area. The By-Laws are by and large, written in archaic terms. They are not generally enforced. Some of the prohibitions, such as the general prohibition in Coniston of Wednesdays, and the general prohibition in the former City of Sudbury on Sundays, are being violated on a very wide scale.

These wide-scale violations do not appear to create undue problems, judging by the lack of complaints to By-Law Enforcement or the Police.

If Council decides to retain these By-Laws unchanged, however, this will be taken as confirmation of their contents, and enforcement will be undertaken. Given the wide-spread nature of the violations, especially on Sundays in the former City of Sudbury, it would appropriate to begin such enforcement with an advertising campaign advising that charges will be laid if the action continues.

## **LEGAL ANALYSIS**

An analysis of legal considerations has been provided to Council under separate cover.

## **OTHER CONSIDERATIONS**

### **Public Consultations**

Council has often in the past expressed its desire to consult with the public on issues like this one. Indeed, the former City of Sudbury had many public hearings and consultations regarding this subject as late as 1999.

The recent Oracle Poll conducted by the City asked citizens to agree and disagree with the following statement: "Store owners should be allowed to set their own hours of operation without the City regulating them." Sixty per cent agreed with the statement.

If Council wishes to consult with the Public, advertising to this effect will be done, with perhaps one or two evenings set aside for the item.

Similarly, Council may feel that this issue has already been voiced at length, and that the recent municipal elections gave voters an opportunity to review this item with the candidates. If so, Council may feel that they are aware of all the issues, and that nothing new is likely to surface in public hearings.

Council is not required to hold a public hearing before amending or repealing the Store Closing By-Laws.

### **Business Considerations**

The City of Greater Sudbury Community Development Corporation has agreed with the requests for change. As a recent article in the Sudbury Star indicates, out-of-town malls such as the North Gate Mall in North Bay are advertising in Sudbury that they are open for business longer.

Some concerns have also been raised by national chain stores. If a nation-wide advertising campaign is launched for, say, a "Midnight Madness Sale", the former City of Sudbury stores remain unopened, although many citizens show up, expecting the stores to be open. Meanwhile, stores in unregulated portions of the City have been holding such Midnight Madness Sales.

### **Labour Considerations**

The following issues have been raised in the past and are repeated here for the assistance of Council.

The suggestion has been made that many stores who are tenants in a mall cannot set their own hours or days of work, having entered into a contract with the mall owners.

Under Section 6 of the *Retail Business Holidays Act*, however,

"A provision in a lease or other agreement that has an effect of requiring a retail business establishment to remain open on a holiday or on a Sunday or on December 26<sup>th</sup>, is of no effect....."

Accordingly, no lease can require opening on these days, but a provision of a lease dealing with hours of opening on other days would still be effective.

Another issue commonly raised is the right to refuse to work on holidays. In Ontario, only persons employed in a hospital, a continuous operation, hotel, motel, tourist resort, restaurant, or tavern may be required by their employer to work on a public holiday that falls on their regular working days. Moreover, employees in Ontario who work in retail business establishments, with some exemptions, have the express right to refuse to work on a public holiday, even if they had earlier agreed to do so - provided that they give sufficient notice to their employer. This is pursuant to the *Employment Standards Act 2000*.

This applies only to holidays for the purpose of the *Retail Business Holidays Act*, and thus, does not apply to Boxing Day unless that day has been proclaimed as a holiday by the Lieutenant Governor. (This has not occurred recently).

Additionally, an employee may still refuse to work on a Sunday for reasons of religious beliefs or religious observance.

### **SUMMARY**

The existing five Store Closing By-Laws are badly in need of attention. The Coniston By-Law requiring Wednesday closing is the most extreme example of this, and the Sudbury By-Law requiring stores to be closed on Sundays is equally out of step with current practices.

At a minimum, Council should provide for a uniform over the entire City. If Council wishes to continue to regulate store hours, this would mean imposing restrictions where none exist today.

If Council feels public consultation should be obtained, a direction to that effect should be given.

If Council decides to proceed with public consultations, it may wish to give a direction that it is considering, or it may wish to hear from the public before choosing a direction. Council may wish to consider developing a By-Law that is similar to the general understanding on the community of what the existing situation is, even though this is not accurate. This belief would probably centre around stores being allowed to open all days of the week and being required to close from 9:00 p.m. to 5:00 a.m. on weekdays, 5:30 p.m. on Saturdays and Sundays.

### **OPTIONS AND RECOMMENDATION**

If Council wishes to take action on this matter, there are three options that Council can consider:

1. The first option would be to hold public meetings on the subject either before or after giving the public an indication of Council's direction. Council may wish to rough out a new By-Law, and then call for public comment.
2. Council could provide direction to staff to prepare a new uniform Store Closing By-Law to cover the whole of the City, removing the archaic provisions in the existing By-Laws, and allowing shopping all days of the week.
3. It is recommended by staff that Council repeal the five existing Store Closing By-Laws and not replace them. A resolution to this effect has been prepared. If Council passes this resolution, a By-Law to repeal the By-Laws, tentatively placed on the Council Agenda for Thursday, June 24th, will proceed. If other direction is given, the By-law will be pulled from the Agenda.

It is recommended by staff that Council simply repeal all existing Store Closing By-Laws and not replace them.

# Managers' Reports

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# Request for Recommendation Priorities Committee



## Type of Decision

Meeting Date	June 23, 2004				Report Date	June 14, 2004			
Recommendation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

## Report Title

**Execution of a Memorandum of Understanding for the  
Strong Communities Rent Supplement Program**

### Policy Implications + Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified

There is no budget impact provided that increases in costs to administer the Strong Communities Program are offset through attrition wherever possible.

Background attached

### Recommendation

THAT the General Manager of Health and Social Services and Clerk be authorized to sign the Memorandum of Understanding between the City of Greater Sudbury as Service Manager and the Minister of Municipal Affairs and Housing to enable participation in and funding of the Strong Communities Rent Supplement Program; and

Recommendation attached

### Recommended by the General Manager

Catherine Matheson, General Manager  
Health and Social Services

### Recommended by the C.A.O.

Mark Mieta  
C. A. O.

Date: June 14, 2004

**Report Authored By**

*Shelly Upton*

S. Upton  
Program Supervisor, Housing Services

**Division Review**

*D.R. Desmeules / sh*

D. R. Desmeules  
Director, Housing Services

**Recommendation Cont'd.**

That the Director of Housing Services be authorized to implement and deliver the Strong Communities Rent Supplement Program; and

That the Director of Housing Services be authorized to execute the necessary rent supplement agreements to implement the Strong Communities Rent Supplement Program provided:

- i. such agreements are in a form satisfactory to the City Solicitor; and
- ii. such agreements are in compliance with the program; and
- iii. the costs of such agreements does not exceed the fixed funding amounts provided by the provincial government.

That the Program be delivered in a manner consistent with current rent supplement programs.

**BACKGROUND**

The purpose of this report is to inform Council about changes to rent supplement programming and seek Council approval to enter into an agreement to participate in and facilitate the program changes.

Social housing programs in City of Greater Sudbury are administered through the Housing Services Division of the Health and Social Services Department.

The social housing portfolio within the City of Greater Sudbury service area is as follows:

Program	Number of Units
Former Federal Housing Providers	587
Non-Profit Housing Providers	825
Co-operative Housing Providers	636
Greater Sudbury Housing Corporation	1848
Regular Rent Supplement Program	553
Strong Communities Rent Supplement Program	104
Total Number of Units under Administration	4553

The Housing Registry receives and processes applications for subsidized (RGI) housing for the City of Greater Sudbury service area. There are currently 1517 households on the centralized wait list for subsidized housing.

<b>Bedroom Size Required</b>	<b>Current Wait list</b>
Bachelor	87
1 Bedroom	770
2 Bedroom	427
3 Bedroom	203
4 Bedroom	69
5 Bedroom	12

### **Rent Supplement Program Evolution**

The Federal and Provincial governments have funded Rent Supplement (RS) programs for over 30 years as a method of quickly creating Rent-Geared-to-Income (RGI) units in communities without any capital investment required. The rent supplement program allows the City, as the service manager to contract with private landlords to offer rent-geared-to-income accommodation in privately owned buildings. Program administration rules are regulated by the Province.

A rent supplement is a housing subsidy provided by service managers to bridge the gap between the full market rent for a rental unit and the amount of rent a household can pay based on its income. The rent-geared-to-income (RGI) portion of rent paid by the household is usually 30 per cent of the gross monthly household income.

The rent supplement agreement are typically secured by way of written one to five year agreements containing a clause that, should the program funding be terminated at the expiration of the agreement, the program will continue to supplement the household's rent after expiration and until the household vacates the unit or is otherwise ineligible for subsidized housing. The service manager has the option of renewing the agreement at the end of the term.

The Regular Rent Supplement program has a budget of just over \$2.5 million for 2004. The City receives close to \$1.25 million in federal funding annually to help offset the cost of the program. The remaining \$1.3 million is funded municipally. The rent supplement program is currently delivered by the Greater Sudbury Housing Corporation on behalf of the service manager.

Date: June 14, 2004

### **Strong Communities Rent Supplement Program**

Between 1999 and 2003, the Province launched and fully funded two other rent supplement programs called the *Homelessness Rent Supplement Program* and the *New Tomorrow Rent Supplement Program*. The City received an allocation of 104 units under these programs at a total cost of approximately \$400,000 annually. The programs had a funding commitment which was scheduled to expire in 2005.

The Province recently announced significant changes to the way in which funding and delivery of the *Homelessness and New Tomorrow Rent Supplement Programs* will be provided. As a result of the funding and delivery model changes the "*Homelessness and New Tomorrow*" Rent Supplement Programs have been combined and re-named the "*Strong Communities Rent Supplement Program*." Once fully implemented, it will provide up to \$50 million in annual funding for regular and supportive housing rent supplement units across Ontario. The redesigned program provides service managers with the assurance of long-term fixed funding to the year 2023, in addition to greater flexibility in program delivery and streamlined reporting.

The program provides funding for regular rent supplement units, as well as supportive housing units in partnership with the Ministry of Health and Long-Term Care (MOHLTC) and the Ministry of Community and Social Services (MCSS).

Of the 104 units funded under the *Strong Communities Rent Supplement* program, 24 are dedicated to households requiring support services. Supportive housing units are defined as those units that are occupied by households receiving formal support services to maintain their tenancy and live independently in the community. Support service agencies receive service funding from the Ministry of Community and Social Services (MCSS) or the Ministry of Health and Long-Term Care (MOHLTC) to provide support to specific target groups.

The service manager is not responsible for arranging or funding support services for households residing in the 24 supportive rent supplement units. Unlike regular rent supplement units, access to the supportive units is based on the primary need for the support services. A household not requiring services is not eligible for the unit. A supportive housing applicant may or may not require rent-geared-to-income assistance.

### **Strong Community Rent Supplement Program - Memorandum of Understanding (MOU)**

Although the program has been in operation since 1999 and the units have already been committed, the Province has decided to formalize the service manager participation through a Memorandum of Understanding (MOU) with the Ministry of Municipal Affairs & Housing.

The purpose of the MOU is to establish the administrative and funding framework for delivery of the program. The MOU specifically addresses roles and responsibilities of each party, households to be served, program funding, exit provisions, and conflict of interest provisions.

If the City of Greater Sudbury declined to enter into the MOU agreement, the service manager will not have the proper authority or governance structure in place to continue to administer the program. In addition, the MOU is the only mechanism that extends the provincial government's commitment to fund the program beyond March 31, 2005.

The execution of the MOU will permit the acquisition of new rent supplement units under the Strong Communities Program. It will also allow existing agreements to renew beyond the 2005 program sunset date.

While the province will continue to provide funding for the currently committed units, no additional funding would be received. To maintain the current 104 units until 2023, the service manager will be required to provide top-up funding to offset items such as increased rental rates or increases in tenant subsidy requirements. This is the same situation as currently exists in the regular rent supplement program. Unlike the regular rent supplement program, however, the service manager has the option to gradually wind down the number of units and agreements under the *Strong Communities* program through attrition.

By reducing the number of units, the service manager can reduce the amount of municipal dollars required in the program. This reduction also decreases the number of units available to needy households in the community. The reduction in units would only take effect upon unit turnover.

The MOU term is effective as of the date it is executed by the Minister and will terminate on March 31, 2023. The provisions of the MOU and program funding will end once the term expires. Program funding will expire in March 2005 for those Service Managers that do not enter into the MOU.

#### Advantages

Advantages to signing the MOU include the extension of funding and flexible delivery model options available to the Service Manager.

- *Funding Extension to March 2023*  
Participating in the *Strong Communities* program provides the opportunity to continue to receive provincial funds to pay for rent supplement costs. Prudent management of this program can result in 100% provincial funding for part of the rent supplement portfolio.
- *Delivery Model Flexibility*  
Another benefit of participating in the program is the opportunity for Service Managers to design program delivery models to address specific local housing needs.

#### Disadvantages

The primary disadvantage of the *Strong Communities* program is the lack of cost indexing and possible loss of provincial funding in March 2005 if a MOU is not signed by the City.

- *Lack of Indexing*  
The province currently funds 100% of the cost of the 104 units in the *Strong Communities* program. The absence of an indexing component to offset increasing program costs over the years is a disadvantage of the fixed amount block funding arrangement. Service Managers will be required to prudently manage this portion of the Rent Supplement portfolio to avoid increased cost to the local taxpayer. The net effect of ensuring that provincial funds will continue to pay for 100% of the costs is a reduction in the number of rent supplement units over the years. Housing Services will monitor the program to ensure provincial funds continue to pay for 100% of the cost of the units under this program.

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- *Loss of funding*

The most significant disadvantage in not signing the MOU is loss of provincial funding in March 2005. If the City, as service manager, is not prepared to fund the cost of the program after March 2005, then the 104 unit will be phased out by the Province through attrition. The community will lose the units much quicker.

It is recommended the MOU be executed to ensure the continued funding of the existing 104 units. It is further recommended that increases in costs to administer the program be offset through attrition wherever possible. This strategy is to be implemented while minimizing the impact on the program and existing tenants.

### **Strong Communities Rent Supplement Funding**

The *Strong Communities* program currently costs approximately \$400,000 annually and is fully funded by the province. If the City of Greater Sudbury elects to participate in the new program design by signing the MOU, provincial funding for this program will continue but remain fixed until March 2023.

Prior to that point in time, service managers will need to develop an exit strategy. Among other things, the service manager must decide whether to continue funding existing agreements with municipal dollars, begin the process of attrition by terminating agreements, or notify households that RGI benefits will end with the termination of the program.

Service Managers are required to submit a Program Take-Up Plan to the Minister of Municipal Affairs & Housing along with the MOU. Fixed block funding payments from the province will be made in accordance with the expenditures outlined in the Take Up Plan. The provincial fixed funding payments will not exceed the costs of the original Take-Up Plan throughout the term of the program (March 2023)

At inception there is no cost to the City of Greater Sudbury for the rent supplement units allocated under the *Strong Communities Rent Supplement* program.

Subsidy requirements may increase over time as market rents increase in the community or if the income of the households housed under this program does not increase at the same rate as market rent increases. The fixed funding will be insufficient to cover 100% costs of these units over the years. Service managers will need to modify their Program Take-Up Plans to manage these cost increases. One way of maintaining existing expenditure levels is to reduce the number of units in the program through attrition.

If circumstances were such where the provincial block funding proves insufficient to cover 100% of the cost, Council may at that time:

- a. reduce the number of units under the program to correspond to the amount of block funding received
- b. exercise their privilege to terminate the MOU with 12 months written notice and implement an exit strategy

It is recommended that increases in costs to administer the *Strong Communities* program are offset through attrition wherever possible. This strategy is to be implemented while minimizing the impact on the program and existing tenants.

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### Program Delivery Requirements

The MMAH has indicated that the service manager will now be allowed the flexibility to introduce local options in delivering units under the *Strong Communities Rent Supplement Program*. Program delivery may now, but not necessarily, include various delivery models not permitted under previous rent supplement programming. Unlike rent supplement programs in the past, Housing Services now has the flexibility to implement one or more of the following delivery models:

Market units can be acquired:

1. Through agreements with private landlords;
2. Through agreements with non-profit housing providers;
3. Through agreements with co-operative housing providers;
4. Directly by RGI households; and
5. Through an in-situ arrangement.

These are explained below:

Service managers must enter into subsidy agreements with the respective parties for each of these program delivery options.

#### In-Situ Assistance

In past rent supplement programs, households were required to move only to a unit that was governed by a rent supplement agreement between the funder and the Landlord. This requirement has been eliminated. The service manager may develop a program where the household may receive rent supplement funding for the unit the household already occupies. The rent supplement portion of the rent payment would be paid directly to the Landlord.

#### Directly to Recipient Household

An agreement for rent supplement may be made directly with a household where funding is paid directly to the household and become portable with that household. The household would be responsible to remit the full rent payment to the Landlord.

#### Ontario Works/Ontario Disability Support Program

The service manager may choose to assist households who are exiting Ontario Works or the Ontario Disability Support Program but are unable to secure affordable housing because their employment income is insufficient to support market rents in the service area. The province's intent is to use the funding as a bridge to permit these households to move off assistance.

#### Agreements with Private Landlords or Non Profit/Co-op Housing Providers

Service managers can enter into traditional rent supplement agreements with landlords (private or non-profit) whereby an eligible household pays a geared-to-income amount and the service manager pays the landlord the difference between the amount the household pays and the established market rent for the unit. The units for which subsidy is being provided are to be modest, self-contained accommodation. Units are to be clean, fit for habitation, in a satisfactory state of repair, and must be in compliance with applicable Building Code and Fire Code requirements.

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### Other Delivery Models

The MMAH will consider other delivery models submitted by service managers throughout the program period.

### Delivery Recommendation

All units currently funded through the *Strong Communities Rent Supplement* program have been acquired through agreements with private landlords. This is consistent with all other rent supplement programs under administration.

It is recommended that this approach to acquisition of units continue, ensuring consistency across all programs. This approach also maintains the ongoing partnership with private landlords in the delivery of affordable housing. The day to day delivery of the program can continue in the manner it has operated over the program's past 5 years

The rules for RGI assistance within the *Strong Communities Rent Supplement* program are in most cases the same as those that apply to transferred housing projects subject to Part V of the SHRA and Ontario Regulation 298/01. The areas of flexibility specific to the program are as follows:

- Centralized waiting list;
- Local eligibility rules;
- Special priority, and
- Occupancy standards

### Tenant Selection

Although it is not a requirement to select tenants from the Central Housing Registry under this program, to not do so like the other program options, requires additional provincial approvals. These options require further development and in some cases, would require the establishment of duplicate systems. For example: under the current process, all RGI units are filled with applicants from the centralized social housing waiting list. Under the *Strong Communities Rent Supplement Program* the service managers can select households from their centralized social housing waiting list or create a separate waiting list(s) specifically for the program. Service managers may even choose to establish more than one list for the program, each with its own method of ranking applicants. Households may also be selected through referrals from social service organizations, e.g. local support service agencies, escaping abuse, etc.

Since the units are allocated and systems are currently in place to deliver the program, it is recommended that the current practice of selecting all RGI households from the centralized wait list continue to be followed for the *Strong Communities Rent Supplement Program* as it ensures the consistent treatment of all households in need of affordable housing. This approach will simplify the application process for applicants and be more cost effective. Having to redesign a separate wait list and eligibility rules etc. would result in duplication and additional costs to administer the program.

It is recommended that priority in placement be given to victims of domestic violence (special priority), local eligibility rules be followed and occupancy standards be consistently applied across all housing programs including the *Strong Communities program*.

Under another option, the subsidy would be paid directly to an eligible RGI household and landlord participation in the subsidy arrangement is not required. However, this approach duplicates the current shelter allowance program already offered through the Ontario Works program.

The development of any new delivery model must include achieving the balance between ensuring the proper accountability and control of public funds, maximizing assistance to target households in a timely manner and protecting the fairness and integrity of the existing central waiting list system to ensure all households are treated and selected in a fair manner.

### Conclusion

Rent supplement units form an integral part of the supply of rent-geared-to-income housing stock in the City of Greater Sudbury. The need for subsidized housing continues to exceed the supply. If Council elects not to participate in the *Strong Communities Rent Supplement Program* by entering into the Memorandum of Understanding with the Province then a reduction in the number of rent-geared-to-income units will occur.

The advantages and opportunities provided by participating in the program appear to out weigh the disadvantages.