



Social and Affordable Housing

2017 Value-for-Money Audit

Why We Did This Audit

- The Ministry of Housing (Ministry) is responsible for overseeing and coordinating the delivery of social and affordable housing programs and services in Ontario.
- Its goal as stated in its 2010 long term affordable housing strategy is to ensure that everyone in Ontario has an affordable and suitable home.
- Over the past five years, about \$1.5 billion, on average, has been spent each year on social and affordable housing programs by the federal (31%), provincial (5%) and municipal (64%) governments.

Why It Matters

- According to Statistics Canada, in 2016 there were 1.9 million low-income individuals in Ontario
- When low-income Ontarians pay more than 30% of income for shelter, they often do not have enough money left over for such essentials as food. Providing affordable housing ensures that everyone can find suitable and adequate places to live without spending a disproportionate percentage of their income on shelter.

What We Found

- Ontario's social housing wait list of 185,000 households (about 481,000 people), representing about 3.4% of the province's total population, is one of the largest in Canada relative to the population size of other provinces. The number of household on Ontario's waitlist has increased by 36% in the last 13 years for which this information was available.
- Our audit found that there is no Provincial strategy to address the growing social housing wait lists (185,000 household waiting as of 2016), the needs of the growing number of low-income Ontarians (1.9 million in 2016), and the risk of losing almost one-third of the existing affordable rental units in the Province (about 83,000 of 283,000 units).
- Under the Ontario Housing Services Act, the Province is to ensure that 186,717 housing should be receiving social housing. However, since 2004, social housing has been provided, on average, to 168,600 households. This difference resulted from tenants becoming ineligible for social housing continuing to reside in units; approximately 6,300 being in poorer in condition; and the vacancies being filled with non-social housing tenants.
- Social housing in Ontario is provided on a first-come, first-served basis rather than based on assessed need (except for abused victims, who receive priority). The only financial eligibility criterion to qualify for social housing is household income. However, applicants on wait lists have been found to own significant assets. As well, some applicants on wait lists do not live in Ontario, but will be entitled to a unit when their turn comes on the wait list.
- Contacts with other pre-1996 housing providers (i.e., not-for-profits, cooperatives, and private landlords) obligate them to provide about 83,000 units with below-market rents in Ontario. These contracts are beginning to expire (about 50% will have expired by the end of 2020, and the last by 2033). Some housing providers have already increased rents, and are converting below-market rental units to market-rent units. The Ministry of Housing does not have complete information on how many below-market units have been lost, and what the impact has been on tenants.
- Currently there are 285,000 affordable housing units in Ontario. Despite increasing demand in Ontario for social and affordable housing, only 20,000 affordable units have been built in the last two decades. We found that Ontario's stock of affordable housing as a percentage of its total population was about 2%. In comparison, Denmark and England's percentages were 8% and 11%.
- Although there has been considerable construction of market-rate units, there has been little incentives for not-for-profit organizations to build affordable rental units and houses. Ninety-three percent of Ontario's existing supply of below-market rentals was built by not-for-profit organizations between the 1960s and 1996.
- Ontario does not do enough to integrate its housing and employment supports to encourage and help social housing tenants to move to a market-rate unit. Other provinces such as British Columbia and Saskatchewan have better integration of housing and employment supports.

Conclusions

- The Ministry did not have effective systems and procedures in place to oversee and co-ordinate the delivery of social and affordable housing programs and services. It did not ensure that social housing was delivered in compliance with legislated requirements of having a minimum of about 187,000 households being provided with social housing benefits.
- The Ministry did not have a strategy to encourage efforts by all levels of government to meet its goal of ensuring that everyone in Ontario has affordable and suitable housing. The Ministry also did not measure or publicly report on the effectiveness of housing programs in Ontario.

To view the report, please visit www.auditor.on.ca