

**Report of the
Ontario Renovates Forum**

November 4, 2011

Ontario Municipal Social Services Association

Introduction

On November 4, 2011, The Ontario Municipal Social Services Association (OMSSA) held a forum for service managers to discuss the Ontario Renovates program offered under the new Investment in Affordable Housing program. Ontario Renovates replaces the Residential Rehabilitation Assistance Program (RRAP) administered by CMHC (Canada Mortgage Housing Corporation), as well as the Northern Repair component of the Canada-Ontario Affordable Housing Program.

With the shift from RRAP to the Ontario Renovates Program, and transfer of administrative responsibility from CMHC to service managers, concerns have been raised by service managers needing to understand more fully the implications of such changes, so they can plan appropriately. Related to this is a need to understand the options and requirements in delivering Ontario Renovates, and how to make local decisions on what resources and priority to give Ontario Renovates in the Program Delivery and Fiscal Plan under IAH.

The forum brought together seventy participants including municipal service managers, representatives from provincial government, and partners including Canada Mortgage and Housing Corporation (CMHC) and the Association of Municipalities of Ontario (AMO) to discuss the issue in greater depth.

This report provides an overview of the forum and themes that were discussed and summarizes service manager needs going forward.

Forum Overview

The forum allowed service managers an opportunity to hear the issues framed, share experiences of offering RRAP through various delivery options, and hear a panel discussion on reaching local decision-making on offering the program. The day ended with a breakout session for service managers to discuss which key points ought to be considered going forward and what additional resources are needed before service managers decide to include Ontario Renovates in their PDFP.

Participants were welcomed by Brian Kreps, OMSSA's Policy and Research Manager. Brian stressed the importance of understanding the transition implications of moving from RRAP to Ontario Renovates, and service manager preparation in managing expected change whilst continuing to serve clients to the best of their ability.

RRAP Background

Sean Gadon (City of Toronto) as first speaker of the day set the stage by outlining the history and experience with RRAP and the differences with the new Ontario Renovates program under the new Investment in Affordable Housing (IAH) program.

CMHC first developed RRAP in 1973 with the objective of offering low-income Ontarians affordable home repair options. Benefits of this were multiple, including

affordable and secure housing, preventing homelessness, aging-in-place, accessibility, job creation, environmental benefits and improving neighborhoods. As of 2012, CMHC transferred the responsibility of administering RRAP funding to service managers directly. CMHC has agreed with Ontario to provide \$36.4 million annual allocation across this province for three years, an amount which was matched by the Province.

Sean Gadon provided case studies from the City of Toronto from a range of home improvement services delivered under RRAP. These serve a variety of clients including RRAP Homeowner, RRAP Disabled, RRAP Rental, RRAP Secondary Suites, RRAP Conversions, RRAP Rooming House and Home Adaptations for Seniors Independence.

Although the new Ontario Renovates program differs from RRAP, some RRAP procedures may be useful models in developing procedures for the new program. One example may be the process of applying for renovation assistance.

The application process at the City of Toronto has been outlined in the Appendix.

Transitioning from RRAP to Ontario Renovates

Sean Gadon outlined the multiple changes that the new Ontario Renovates program brings with it. These changes have been tabled below:

Program Component	RRAP	Ontario Renovates
Funding amount for SM	Allocation by CMHC	Service manager decides on portion of IAH \$
Funding province-wide	Specific CMHC amount (\$36 million recently)	Depends on service manager decisions
Delivery agent	Varies widely across Ontario	Service manager is the designated entity
Contracting out	Depends on service manager role and CMHC consent	Option for service manager
Subcomponents	Several specific streams	2 streams - Ownership and rental
Procedures and business processes	Mostly as required by CMHC	Mostly up to service manager
Accountability	To CMHC	To MMAH
Payments to clients	By CMHC	By service manager
Loans administration and monitoring	By CMHC	By service manager
Administration funding	Fixed fee paid by CMHC	Part of service manager 's overall IAH admin
Conversion projects	Eligible in RRAP	In IAH Rental component

As is the case with any change, this specific one brings its share of opportunities and challenges for service managers and clients in need. Issues that have been identified include:

Ontario Renovates Opportunities:

1. Local Choice- Service manager decides on participation
2. Determine local demand for renovations and repairs
3. Flexibilities provide easier administration

Ontario Renovates Challenges:

1. Reduced allocations for various service managers; concern allocation too small to split between all Investment in Affordable Housing (IAH) components
2. High share of IAH admin funding that renovation would absorb if continued at RRAP levels
3. How to train for the admin functions now carried out by CMHC, and cover those costs
4. Council concerns about setting up new delivery capacity for funding lasting 3 years
5. Lack of CMHC communication about the end of RRAP
6. Potential confusion IAH renovation vis-à-vis seniors renovation tax credit (Ontario Liberal platform)

With these opportunities and challenges in mind, service managers are encouraged to carefully consider what their priorities and capabilities are. A list of questions was provided to help aid in service manager decision-making on including Ontario Renovates in a PDFP. These can be found in the Appendix, Section I.

Sean wrapped up by indicating that the City of Toronto is willing to act as a knowledge base for service managers when in need of guidance on this topic.

Diverse Repair Program Delivery: Three Cases

Participants then heard descriptions of three diverse experiences of delivering renovation programs. Speakers included David Brodati (City of Hamilton) speaking on offering RRAP with the service manager as the delivery agent, Jeff Schumacher (Regional Municipality of Waterloo) offering a perspective on offering RRAP through an external delivery agent and Brian Marks (Cochrane DSSAB) providing a northern perspective when offering the Northern Repair Component.

David Brodati described the context and approach in Hamilton. The City of Hamilton has offered RRAP for almost 40 years assisting about 100 units per year and 4,700 homeowners over almost four decades. With in-house resources such as a Housing Loans Officer and Building Inspectors, the City was able to offer RRAP directly instead of through a third party agent.

Jeff Schumacher provided experiences of offering RRAP through a delivery agent at the Regional Municipality of Waterloo. The Region signed an agreement with the 3rd party Delivery Agent to administer the program. A major advantage of working with a delivery agent was to overcome limited staff time and funding available and serve a greater number of clients in need. The role of the Region included marketing, directing inquiries, monitoring progress of delivery agent and responding to complaints.

Brian Marks described Cochrane DSSAB's experience with the Northern Repair Program. The purpose of this program is to assist in the repair of low to moderate income homes to bring them to acceptable standards (health and safety and accessibility). With 156 units repaired in a span of four years, this program is very popular and beneficial in meeting client needs. The current waitlist lies at 227 homeowners. The benefits of offering such a program are multiple including:

- Improves quality of life for current homeowners
- Prevents additional pressure on housing waitlists – province wide
- Prevents additional pressure on health care system – emergency and long-term care
- Generates economic stimulus for contractors
- Generates economic stimulus for suppliers
- Increases property values

Challenges of offering such a program are just as real with considerable soft costs such as legal fees and building permits, high program administration fees, and eligibility criteria being based on out of date MLS data.

Ultimately, assessing the administrative capacity and value for allocated dollar were stressed prior to making a final decision.

Deciding to include Ontario Renovates in your PDFP

Janice Bray (Parry Sound DSSAB) and Susan Bacque (City of Peterborough) shared their experience with participants in coming to a decision and what to consider. The need for such a program is apparent, however the challenges that the economic context brings has influence over its actual delivery.

Key themes in Discussion

The day ended with a break out session allowing attendees an opportunity to discuss some important questions and provide feedback. The majority of participants felt there was a place for Ontario Renovates within their PDFP. The task is to offer this program with the challenges at hand.

A number of key themes emerged from the break out session:

Increased administrative responsibility on service managers

With the transfer of this responsibility from CMHC to service managers, extra resources will be needed within service manager areas to accommodate these additional needs.

Decreased funding allocation

Service managers realize the success of such a program in meeting low-income clients' home repair needs, but the financial reality might not allow a continuation of this program. Repair programs must now compete with other IAH components for a total funding allocation that in most service manager areas is less than the former AHP and RRAP combined.

Disability Modifications

Consultation is required with agencies with disability specialists. Code requirements should also be understood further.

Useful procedures or business processes

Some suggestions around what to incorporate under the new program include: To pre-qualify contractors, emulate the monitoring procedures for the Homeowner Down Payment Program, clearly establish roles and responsibilities for all parties, employ bulk purchasing strategies and more.

Unanswered questions

- What liabilities are associated with building inspector relationships?
- What are best practices around working with mental health disabilities or limited capacity?
- What special funding requirements are expected from provincial or federal government?
- What is the end date of this program?
- What are the specific program guidelines?
- What are the administrative cost estimates for this program?
- What should be considered before qualifying third-party delivery agents?
- What stacking opportunities exist?
- Why is this download taking place without extra funding allocations to service managers?
- What is the best approach in managing the backlog on the waitlist?

Toolkit for service managers

This would include but is not limited to:

- Samples of all existing documentation
- Screening tools
- Best Practices from service manager delivery agents
- Agreements
- Promissory notes
- Legal forms and terms
- Inspection criteria
- Repair assessment
- Waitlist management tips from CMHC
- Other relevant templates

Next steps

OMSSA will work closely with the City of Toronto and CMHC to provide service managers with the resources they need to continue exploring the possibility of including Ontario Renovates program in their PDPF. As part of this work, forms and templates from RRAP have been posted as resources on the OMSSA website.

Final thoughts

The perspectives presented at the forum highlighted the ways RRAP and Northern Repair experience can help inform service manager decisions on using IAH to assist low to moderate income Ontarians with home repairs. But the transition to IAH presents services managers with new challenges. Decisions about delivery should be based on understanding the advantages and disadvantages of various approaches. Competing priorities and operational considerations will both play a part in decisions on delivering Ontario Renovates.

Service managers will consider delivering Ontario Renovates, and will work their way through the administrative changes and the competing priorities for limited funding. Program planning in 2012 will enable roll-out of delivery later that year or in 2013. Further education and information sharing will be helpful.

Overall, the forum was a good opportunity to share success stories and discuss issues in participating in the Ontario Renovates component of the new IAH program.

Appendix

Section I: Making the decision

Whether to deliver Ontario Renovates

- What are the housing needs vis-à-vis new rental / ownership / rental assistance?
- What are the political priorities vis-à-vis new rental / ownership / rental assistance?
- Stakeholders – winners/losers if SM delivers Ontario Renovates or not?
- Whether to include this in the SM Housing and Homelessness Plan (2014 onward)?

If Yes, then What, Who, and Where

- Maintain role of existing third-party delivery agents (where applicable)?
- Prioritize rental or homeownership?
- Prioritize disability needs?
- How to set other local allocation and intake priorities?
- Make it part of strategies for particular local areas?

If Yes, then how

- Use existing RRAP or Northern Repair procedures / business processes or develop your own customized delivery?
- How to learn more about RRAP procedures and what to do and not do?
- What procedures need to be set up for payments to clients?
- What procedures need to be set up for loans administration?
- How to carry out the functions within available admin funding?
- How to communicate the end of RRAP and the new arrangements?

Appendix

Section II: RRAP Application Process in the Toronto case

The application process for a RRAP Homeowner varies according to delivery agent and geographic location. The program lifecycle at the City of Toronto has been outlined below:

1. Resident establishes first contact with service manager office
2. Service manager conducts a quick assessment of income and house value eligibility
3. If application qualifies for funding, a Program Officer is assigned
4. The Program Officer books an appointment with the homeowner to view property and confirm eligibility
5. Program Officer completes a house inspection and assesses scope of work required –lens of safety
6. The homeowner must supply two independent quotes for renovation work
7. The Program Officer approves quote and contractor, and the package is sent to CMHC
8. CMHC reviews and approves the file
9. The homeowner is notified to move forward with renovation work
10. Once completed, final invoices are submitted and final inspections by Program Officer
11. Payment is issued directly to homeowner from CMHC