A Slice of Affordable Housing for Seniors in Ontario may be Diminishing:

Assessing the Impacts of Social Housing End Dates for Senior Projects

May 2014

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The Ontario Municipal Knowledge Network (www.OMKN.ca) is a web based portal that captures documents and promotes approaches that municipal officials from across Ontario and other jurisdictions have successfully implemented to improve municipal service delivery and operation, in order to provide better value to taxpayers. The OMKN is funded by the Ontario Ministry of Municipal Affairs and Housing (MMAH) and is administered by the Association of Municipalities of Ontario (AMO).

Website content includes best/beneficial practices and municipal innovations developed not only here in Ontario, but nationally and internationally. The website links to other useful and relevant sites and the OMKN is actively partnering with other key Ontario municipal associations to provide more comprehensive service to users. Website postings are updated regularly in over 30 municipal service delivery and operational topic areas and website users and others can also follow the OMKN on Twitter, Facebook and LinkedIn.

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About HSC

The Housing Services Corporation (HSC) is a non-profit organization that delivers province-wide programs that benefit Ontario’s affordable housing sector. It assists service managers, including DSSABs, by:

- Helping to protect the housing asset through programs and services that support better capital asset and energy management
- Delivering business value through economies of scale with competitively procured province-wide programs in bulk purchasing, insurance and investments
- Building and spreading knowledge that supports effective decision-making with relevant research, training and by facilitating collaborative best practice sharing
- Enabling greater resident engagement and self-sufficiency by developing partnerships for social innovation with other organizations and networks.

HSC was created in January 2012 under the Housing Services Act. HSC, as successor to the Social Housing Services Corporation (SHSC), builds on that organization’s 9 years of experience in delivering programs to social housing and working with different levels of government, the public and the private sector.

www.hscorp.ca
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Margie Carlson
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Executive Summary

The biggest demographic wave since the post-war baby boom is about to break over Ontario, and municipal governments are on the front line. Seniors are already the fastest growing age group in Ontario. They can expect to live longer and healthier lives than previous generations and their housing needs are likely to change from the beginning to the end of this extended later life. The gradual transition of Canada’s baby boom population towards retirement in the last few years has been a warning signal for policymakers regarding the long-term implications of population aging. Of particular concern are the growing pressures that are likely to occur to a broad range of public services used by seniors, notably, healthcare, public pension plans, long-term care and the financing of these services.

Currently, there is no overarching policy framework for seniors’ programs and services in Canada or Ontario. There is however, a vested interest by all levels of government in addressing the needs of seniors. Regionally, responses to the impact of an aging population are in isolation of an overarching policy framework, as neither the federal nor the provincial government have engaged in long-term capacity planning for the aging population.

Government through the health sector has been encouraging seniors to age at home rather than hospitals or long-term care homes. This has been primarily driven by the high costs associated with providing primary care for older people in hospitals or long-term care homes. While aging at home may be feasible for those seniors who have an affordable and stable place to live, it may not be for those without an affordable place to live due to a lack of affordability or if that place is unstable because of funding withdrawals. There is a disconnect between what is occurring on the ground at the service manager level and the policy aims of the provincial government as communicated through the health sector.

Housing affordability and security for those who enter old age as renters stands out as a priority. The dollar amount of government income is likely insufficient to enable older renters to compete in the rental market, and many need other support to find housing that meets their needs in terms of location and utilities, and that provides secure and stable tenure. Social housing is a viable potential solution to the housing needs of low-income older people but it is a constrained resource.
The total number of social housing units dedicated for seniors is estimated to be between 60,000 and 70,000 units across Ontario or 25 to 30% of the total social housing stock of 240,000. The Ontario Non-Profit Housing Association’s (ONPHA) annual waiting list survey identified that the number of seniors on waiting lists had increased from 21% in 2003 to 29% in 2012. There were over 45,000 senior households waiting for RGI housing across Ontario.

A key challenge for service managers is to ensure there are sufficient housing options to meet growing demand from seniors as well as to work with the provincial government to broaden services to encompass a range of supports such as family and social needs as well as opportunities for cultural, social and political activities. The limited social housing resource that exists at the service manager level is able to provide some relief for low-income seniors but it cannot be relied on as the only option as so little new stock is being created.

A key observation is that due to growth of the numbers of seniors generally, the number of seniors who live alone, the number who are frail or have disabilities, this will necessitate considerable expansion of assisted living or supportive housing facilities that can enable them to stay in the community rather than in long-term healthcare facilities. This is not a straight forward response as housing options for low-income people are within the domain of the service manager and support services are within the domain of the provincial government through the healthcare system in Ontario. The coordination of support services and housing funding for seniors must be a collaborative effort between service managers, the provincial government and the Local Health Integration Networks (LHINs).

There is also no clear mapping of how these two systems currently integrate or should integrate in the future. While information on retirement homes, supportive housing, long-term care facilities and hospitals can be found, how that relates to the provision of general rental housing or social housing for seniors’ need is not clear. There is no overarching framework that oversees what is currently available, who runs that housing, how one accesses it and how much it costs.

There is also a built-in and perhaps naïve assumption on the part of the Aging at Home Strategies that the housing available for lower-income seniors is currently safe, affordable and stable into the future. This is not always the case. In 2012, the Housing Services Corporation (HSC), in partnership with the Association of Municipalities of Ontario (AMO) and the Ontario Municipal Knowledge Network (OMKN), released Social
**Housing End Dates in Ontario: Assessing Impacts and Best Practices.** This project identified the impacts and obligations of the expiring of operating agreements (EOA) on service managers, and the practices being employed to address these impacts. EOA is a catchall term used to describe the range of program consequences and uncertainties that arise when the initial financing arrangements for a social housing project are discharged. The most important aspect of EOA is that there is a loss of the related funding coming from federal government to province/service managers from now until 2032 (currently reduced to about $400 million). There have been no indications from either federal or provincial governments about its replacement. The 2012 HSC/OMKN study was a landmark study in that it provided insight for service managers regarding project-level EOA data and how to create a practical business-focussed transition plan to address funding withdrawal and ongoing project viability.

Ontario has not yet developed strong policies to deal with the challenges related to the expiring federal funding although some service managers have begun to do so. These types of issues hinder the outcomes and objectives set up by other provincial government departments that focus on aging in place and aging at home.

The crux of the matter is that the pressures facing Ontario on the social housing side due to the loss of federal funding, the increasing number of seniors waiting for social housing and the looming growth of the older population require heartfelt and earnest collaborative work among multiple government levels, community agencies and the general public.

This report provides a summary of the statistics about aging Canadians with a focus on issues related to housing affordability. It examines federal, provincial and municipal government roles in providing services and programs to seniors. The issue related to housing affordability and seniors is explored in Section 4. The specific case study related to expiry of long-term housing project-level operating agreements and the reduction of federal subsidy is also outlined. The last section of the report provides framing recommendations to be considered by governments, service managers, and housing providers.
1. Introduction

1.1 Background

In 2012, the Housing Services Corporation (HSC), in partnership with the Association of Municipalities of Ontario (AMO) and the Ontario Municipal Knowledge Network (OMKN), released *Social Housing End Dates in Ontario: Assessing Impacts and Best Practices*. This project identified the impacts and obligations of the expiring of operating agreements (EOA) on service managers\(^1\), and the practices being employed to address these impacts. As a result of this assessment, a framework was established to help service managers identify and address impacts on a go-forward basis. Building on the dataset gathered in *Social Housing End Dates in Ontario* and using the assessment framework, both AMO/OMKN and HSC were interested in exploring specific aspects of this dataset. Agreement was reached on examining the effects of EOA on social housing seniors’ projects operating in Ontario and to look at the resulting policy implications.\(^2\)

*Social Housing End Dates in Ontario* indicated that, at expiry, many housing projects in Ontario may become less viable in terms of being able to financially support their operations once their mortgage matures and the operating agreements expire. The primary reason for this is that at mortgage maturity, the long-term federal funding flowing to many projects will also end. Without some form of replacement subsidy, these housing projects and the low-income people living in them are at risk of failing or being forced to find alternate accommodation. The report also noted that due to a lack of resources some service managers were unable to effectively analyze their housing portfolio data. Some service managers did not feel they had adequate capacity to

\(^1\) Service manager is a shortened form which refers to the social housing administrators and funders across Ontario. They are known as Consolidated Municipal Service Managers (SMs) or District Social Services Administrative Boards (DSSABs). DSSABs exist only within the northern part of Ontario and are governed by separate legislation (the DSSAB Act and its regulations). In this paper, we sometimes use the term SM interchangeably to refer to both SMs and DSSABs because the legislation governing social housing covers all 47 SM and DSSAB areas across Ontario.

\(^2\) It should be noted that specific impacts to aboriginal housing projects fall outside the scope of this study but that the scenarios for an aging aboriginal population are radically different than for non-aboriginal people. This neglected area of study represents a research gap where additional work could be undertaken.
assess the possible impact of EOA on their portfolios nor to create a transition plan for projects at EOA. The 2012 HSC/OMKN study was a landmark study in that it provided insight for service managers regarding project level EOA data and how to create a practical business-focussed EOA transition plan.

The possible loss of subsidized social housing has implications to housing markets in most communities in Ontario. This has not been helped by the federal and provincial governments distancing themselves from the ongoing sustainability of social housing projects and limited funding for new housing options for low-income people. They have also not committed any foreseeable future funding to replenish expiring funding for any of the affected housing stock. The issue of housing project loss at EOA and a lack of widespread affordable housing development over the past 20 years, compounded by the increase in seniors aged 65+ due to the aging of the baby boomer generations, could potentially create an unintended consequence which has not been examined.

With the general increase of the seniors’ population, there will undoubtedly also be an increase in low-income seniors in Canada and Ontario. As seniors have traditionally been a vulnerable population, a rise in the number of low-income seniors combined with a possible decline in affordable housing options due to EOA could have troubling implications for those seniors who need affordable housing options.

Government through the health sector has been encouraging seniors to age at home rather than hospitals or long-term care homes. This has been primarily driven by the high costs associated with providing primary care for older people in hospitals or long-term care homes. While aging at home may be feasible for those seniors who have an affordable and stable place to live, it may not be for those without an affordable place to live due to a lack of affordability or if that place is unstable because of funding withdrawals. There is a disconnect between what is occurring on the ground at the service manager level and the policy aims of governments as communicated through the health sector.
1.2 Structure of the Report

This document is a compilation of relevant statistics about older Ontarians and the issues that are arising because of the aging demographic. It also describes a case study about one source of housing that many seniors rely on in Ontario but is at risk due to the gradual reduction of federal subsidy over time. This report reviews the project EOA data gathered in Social Housing End Dates in Ontario: Assessing Impacts and Best Practices and draws much-needed linkages between provincial strategies encouraging seniors aging at home with the possible impacts of EOA on seniors housing to service managers.

This report is divided into five sections. The context and background for this report is described in Section 1. Section 2 of this report provides a summary of the statistics about aging Canadians with a focus on issues related to housing affordability. Section 3 examines federal, provincial and municipal government roles in providing services and programs to seniors. The issue related to housing affordability and seniors is explored in Section 4. The specific case study related to expiry of long-term housing project-level operating agreements and the reduction of federal subsidy is outlined in Section 5. The last section of the report provides framing recommendations to be considered by governments, service managers, and housing providers.

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3 A housing provider is an organization that owns and manages one or more buildings for low- or moderate-income households and receives either government funding or reduced mortgage interest rates to support its residents.
2.

Shifting Demographics: A Focused Look at Seniors

The biggest demographic wave since the post-war baby boom is about to break over Ontario, and municipal governments are on the front line. Seniors are already the fastest growing age group in Ontario. They can expect to live longer and healthier lives than previous generations and their housing needs are likely to change from the beginning to the end of this extended later life. This growing population of seniors has already begun to reshape the ways in which the municipal governments are planning and investing in communities and service provision. In fact, Ontario service managers are required to address the needs of seniors through their strategic 10 Year Housing and Homelessness Plans required by provincial law under the Housing Services Act. This is also occurring at the same time that many Ontario communities are adopting the World Health Organization’s Age-Friendly Communities guidelines.

Ontario’s future seniors are expected to be more diverse than ever before, with varying skills, abilities, support systems, living arrangements, levels of education, health and wealth- all influenced by their diverse experiences and differing circumstances. These seniors are the ones who listened to the Beatles and the Rolling Stones; they went to Woodstock and participated in the civil rights movement of the 1960s. They are more active, wealthier, more well-educated than previous generations of seniors.

Understanding the demographic shifts of seniors in Ontario can help inform decisions about how best to meet seniors’ current and future housing service needs. The existing housing of today is a reflection of demographic and market trends that happened in the past. New housing will be the same. It will be reflective of the demographic and market issues of our time. Social housing has been a well-used government response to address housing shortages over the past 80 years. It includes a varying list of programs and initiatives that were often deliberately targeted towards older Canadians.

In order to begin to understand the potential impact to housing provision, it is important to understand who seniors are, where they are, what their incomes are and where they live. This section describes the changing demographics of Canada and Ontario’s senior population.
2.1 Population Aging: Growth in Canada’s Senior Population

Seniors (those age 65 or older) now account for a growing proportion of the Canadian population. The 2011 Census counted nearly 5 million people aged 65 and over, a 27 per cent increase from 2001. During the next 25 years, the Canadian population of people 65 and over will double to 10.4 million, making seniors roughly one quarter of the entire population in 2036.

Throughout most of the twentieth century, a fairly small proportion of the Canadian population was comprised of persons aged 65 or older. Figures 1 and 2 show comparative age pyramids in 1971 and 2011. In 1971 a young population is evident; the baby boomer cohort born between 1946 and 1965 made up a larger proportion of the population. As the cohort has aged by 2011 (Figure 2) the baby boomers and their predecessors start to make a majority of the population in the older age categories—demarking population aging accelerating in Canada.

Figure 1: Canadian demographics by age range, 1971

4 Source: Environics Analytics using Stats Canada data.
What is even more striking is that in 1971, about 38,000 people were aged 90 or over. In 2011, that number had grown to over 210,000 people. The fact is Canadians are living longer, and our population as a whole is getting older. Old age is something to be celebrated, and is not itself a problem. It is the issues that are associated with old age such as mobility issues and dementia that create difficulties for housing and caring for people as they age. Government has also warned Canadians that high life expectancy will have serious consequences for public finances due to rising bills for pensions and healthcare. These are important considerations for policy-makers and program developers.

The senior population in Canada is expected to grow eight times faster than the number of people under the age of 65. Figure 3 below shows the number of children aged 14 and under in comparison to the population aged 65 and over. The number of children aged 14 and under increased by 27,505, or 0.5% to 5,607,345 from 2006 to 2011. Evident is that number of seniors aged 65 and over has continued to catch up with the number of children during the same time period from 2006 to 2011.

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5 Source: Environics Analytics using Stats Canada data
Figure 3: Number of children aged 14 and under and of people aged 65 and over, Canada, 1921 to 2011

The profile of Canada’s seniors is also changing. According to Statistics Canada 2011 data, the population aged 60 to 64 is growing rapidly, experiencing the fastest increase between 2006 and 2011, at 29%. This suggests that population aging will accelerate in Canada in the coming years, as the large baby boom generation, those born between 1946 and 1965, reaches 65 years old. Although most seniors are in the youngest range of the group aged 65 to 74, the proportion of the most elderly seniors (85 and older) is increasing steadily. In 2010, about 53% of seniors were between age 65 and 74, 33% were between age 75 and 84 and 13% were 85 and older. The latter group accounted for 2% of the total population of Canada in 2011.

It is important to note that in 2011, there were 5,825 centenarians in Canada, up 25.7% since 2006. This was the second most rapidly growing age group among all age groups after those aged 60 to 64. Over 83% of centenarians are women. So not only are there more seniors generally, there are more very old seniors than ever in the past and most of those seniors are women. Ontario had over 2,000 centenarians in 2011.

6 Source: Statistics Canada, censuses of population, 1921 to 2011.
In 2031, those aged 85 or older will account for a similar proportion of all seniors but 3% of the total population of Canada. By 2052, these proportions will have nearly doubled: the eldest seniors (age 85 and older) will account for 24% of all seniors and 6% of the total population. And after 2031, the proportion of the youngest seniors (age 65 to 74) will decline.

Most seniors are women, especially the older age groups. For example, women accounted for 52% of seniors age 65 to 74 and 60% of seniors age 75 and older in 2010. Women will continue to outnumber men into the future: however, this gender split will become more even as the age gap in life expectancy narrows for men and women.

Statistics Canada, Participation and Activity Limitations Survey, 2006 data indicates that more than half the population has a disability at ages over 75. One in seven people in Ontario (1.5 million) has a disability and as the population ages, the imperative for accessible communities will rise. This number is expected to increase in the preceding years as the population ages. Figure 4 shows the percentage of Canadians with disabilities in 2006.

**Figure 4: Percentage with Disabilities, Canada, 2006**

![Figure 4: Percentage with Disabilities, Canada, 2006](image)

The aging population in all provinces and territories across Canada is increasing as a proportion of the total. However, population aging has not been uniform across provinces. As shown in Figure 5, from 2006 to 2011, the proportion of seniors increased faster in the Atlantic provinces (+2%) and Quebec (+2%), compared to Ontario (+1%), the Prairie provinces (0%), British Columbia (+1%) and the territories (+1%).

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7 Source: Environics Analytics using Stats Canada data
Atlantic Provinces currently have the highest proportions for seniors (ranging from 16% to 16.6%), while the territories account for the lowest (3% to 9%). Higher proportions of seniors can also be observed in Quebec and British Columbia. By 2031, the greatest increases will have occurred in both the Atlantic Provinces and in the territories.

Figure 5: Proportion (in percentage) of the population aged 65 and over, Canada, provinces and territories, 2006 and 2011

2.2 The Aging Population Across Ontario

As with the populations of other Canadian provinces, the demographic shape of Ontario is changing significantly. Ontario is one of the youngest provinces; its proportion of children under 15 is above the national average and its proportion of people aged 65 and over is under the national average. However, Ontario’s population is nevertheless aging, and it’s happening at a relatively quick pace. This is due to a combination of factors, including longer life expectancies, decreasing fertility rates, and the advancing age of the ‘baby boom’ generation.

According to the 2011 Census, there were over 1.8 million Ontarians age 65 or older. Demographic projections indicate that by the year 2036, Ontario’s senior population will more than double to over 4.2 million people. The number of seniors 65+ grew by 14% from 2006 to 2011 and the proportion of the population they represent continued to rise,

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Source: Statistics Canada, censuses of population, 2006 and 2011
reaching 14%, up from 13% in 2006 and 12% in 1996 (Figure 6). The number of seniors is expected to more than double, from 14% in 2011 to 23% (4.1 million) by 2036, as the baby boom cohort joins the ranks of the older population. In fact by 2031, when the last member of the baby boomer reaches 65 years of age, it is projected that about one in five Ontarians will be a senior.

**Figure 6: Age Distribution of Ontario’s Census Population**

The older age groups are also growing faster. Figure 6 illustrates that between 2006 and 2011, the fastest growing segment of Ontario’s population was the 85+ age group, which increased 29%, followed closely by the 60-69 age group, which rose 27%.

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Notable are the variations in Ontario’s senior population—there are more younger and older seniors (Figure 7). In 2011, baby boomers started to enter the senior age group. As a result, the number of younger seniors aged 65-69 increased 21% from 2006. The fastest growing segments of the senior age group, however, were the oldest groups aged 85-89 (up 30%) and 90+ (up 25%). Ontarians aged 80+ accounted for 27.6% of all seniors in 2011, up from 27% in 2006. The share of people aged 80+ in Ontario’s total population also increased, from 3.6% to 4.0%. The number of people age 90+ increased by 25% between the two census, reaching 64,620, up from 80,620 in 2006 and 41,005 in 1996.

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In the next few years, the population over 65 will exceed those under 15 for the first time in Ontario’s history; over 20% of the population will be over age 65. This demographic shift will change the complexion of Ontario’s population and the dominant needs in the province.

By the early 2030s, once all baby boomers have reached age 65, the pace of increase in the number and share of seniors is projected to slow down significantly. The annual growth rate of the senior age group is projected to slow from an average of 3.5 per cent over 2012–31 to less than 1.8 per cent by the end of the projection period. However, this age group will still be growing much faster than the 0–14 and 15–64 age groups.

The older age groups will experience the fastest growth among seniors. The number of people aged 75 and over is projected to rise from 910,000 in 2012 to over 2.2 million by 2036. The 90+ group will more than triple in size, from 96,000 to 291,000. Figure 9 below compares the growth from 2006 to 2011 for the various seniors’ age groups.

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11 Source: Environics Analytics using Stats Canada data
The proportion of women among the oldest seniors is projected to remain higher than that of men but to decline slightly as male life expectancy is projected to increase faster than that of females. In 2012, there were 46 per cent more women than men in the 75+ age group. By 2036, the ratio is projected to have fallen to 22 per cent more women than men of that age.

2.3 The Aging Population by Service Manager Area

Ontario is home to over 1.8 million seniors which represents 14% of the population. This is a substantial portion of the population which is expected to increase over time as baby boomers age, as life expectancy increases and demographic patterns change.

In Ontario’s 47 service manager areas, the seniors’ population picture varies depending on several factors including access to services, whether communities in that area are marketed as lifestyle destinations for wealthier seniors and whether there are housing options available for the population. Figure 10 below shows the top 5 and bottom 5 service manager areas in terms of the percentage of seniors compared to the total population. While Toronto has the highest number of seniors in terms of population at over 377,000 people, this is only 14% of the total population.

Recent work by the Institute for Research on Public Policy (IRPP) indicates that the largest in-migration of seniors in Canada is to rural Ontario – followed by Barrie and Oshawa\(^ {14}\). The largest outmigration in Canada is from Toronto. It is possible that the outmigration from Toronto is primarily to rural Ontario as seniors seek a more relaxed lifestyle with cheaper housing costs. The migratory patterns of seniors have important implications for municipalities when considering the economic effects by seniors who move to or move away from a particular community. Interestingly, seniors who move to rural Ontario tend to have higher incomes than those who are leaving rural Ontario while seniors who move from Toronto tend to have higher incomes than those who stay. In other words, there is a net economic loss of higher income seniors from Toronto and the beneficiaries of that loss are rural Ontario and other communities in Canada (largely in British Columbia).

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\(^{13}\) Source: Statistics Canada

\(^{14}\) Where will you Retire?, Newbold and Meredith (IRPP), 2012
Although not necessarily sequential, there seems to be a pattern in the motivations for relocation with increasing age, beginning with lifestyle choices, followed by health care needs, and finally the need for institutional care. From this perspective, the ways in which a community can directly influence the migration of seniors are limited and highly dependent on economic factors such as home ownership and individual life preferences. In the one area where policy potentially has an influence, housing costs, municipal powers over land-use designation and property taxes are marginal compared with macro-economic factors such as borrowing terms, long-term interest rates, real income and demographic trends.

In a broader context, it is important for municipalities to be proactive in planning and program development to meet the challenges of an aging community. This should be of equal concern to all communities: those seeking to retain retirees as well as those seeking to become retirement communities for active healthy seniors.\(^\text{15}\)

### 2.4 Ontario’s Senior Population: Key considerations

Ontario’s seniors are a diverse group composed of multiple ethnicities, work backgrounds and household sizes. Seniors are also reliant on income from various sources – which is not always homogenous or consistent. Household incomes rise over time reaching a peak between the ages of 50 to 54. This is reflective of general trends or expectations that a person’s highest income earning years are at that time. When people retire though, their incomes drop about 15% and continue to drop over time. They are at their lowest point once a household is over the age of 75. Figure 11 below documents income distributions over various age ranges. The changes are probably due to a number of factors including the point at which most households sell their house and transfer any net proceeds into a retirement savings account, the value of the government pensions that they receive as well as the increase in the retirement age in recent years. It is also reflective of the fact that many seniors work and earn income after they turn 65 but stop doing so before the age of 75.

\(^{15}\) *Where will you Retire?*, Newbold and Meredith (IRPP), 2012
Data from Stats Canada also demonstrates that upon the death of a spouse or partner, the income of the surviving spouse drops dramatically. Figure 12 below identifies the income differences between couples without children and one-person households. The data has important implications for housing affordability in that one-person households have significantly lower incomes than couples without children and they have less income to spend on housing. The income differences between various age groups for one-person households also do not change substantially over time. If a one-person household has a low-income between the ages of 55 and 59, it doesn’t drop dramatically over time.

**Figure 12: Median Household Income ($000s), Ontario 2010**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Couples without children</th>
<th>One person</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 to 59 years</td>
<td>86,300</td>
<td>35,700</td>
</tr>
<tr>
<td>60 to 64 years</td>
<td>76,300</td>
<td>33,300</td>
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<tr>
<td>65 to 69 years</td>
<td>65,700</td>
<td>30,100</td>
</tr>
<tr>
<td>70 to 74 years</td>
<td>59,000</td>
<td>27,800</td>
</tr>
<tr>
<td>75 years +</td>
<td>54,000</td>
<td>26,900</td>
</tr>
</tbody>
</table>

16 Source: Environics Analytics using Stats Canada data

17 Source: Environics Analytics using Stats Canada data
It is also important to understand the sources of people’s income. Figure 13 below shows the sources of income for people over the age of 65. There are some marked differences between men and women. Women are more reliant on government transfer payments (Canada or provincial pension plans, Old Age Security, Guaranteed Income Supplement, etc.). Men are more reliant on retirement pensions (34%) although 33.3% of men are also relying on government transfer payments. It is also interesting to note that men are more likely to have employment income after turning 65 years old than women are.

**Figure 13: Source of Median Household Income ($000s) by Age Group, Ontario, 2010**

What this means is that seniors who receive government transfer payments as a sole source of income have consistent albeit likely lower incomes than those in receipt of other forms of income. Seniors who are reliant on employment, investment or non-government pensions are more likely to have variable income and it also possibly higher than those solely receiving government pensions. It should be noted that those reliant on employment or investment income are in the minority. This information matters when considerations are made about housing affordability issues.

When relying on government transfer payments, households are less able to respond to fluctuations in rent, utility costs or other life factors. What remains important over time when relying on government income sources is predictability of expenses (ie rent).

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18 Source: Environics Analytics using Stats Canada data
2.5 Seniors Housing Options

Seniors tend to be homeowners. Over 79% of private households between the ages of 65 and 69 are homeowners. While there is some variation between homeowners who are couples with no children and one-person households, there are more seniors who are homeowners than for other age ranges. Owning one’s own house or apartment offers advantages including the ability to deal with the property in the way you choose so long as you hold to municipal by-laws and other forms of government legislation or legal agreements. Homeownership also allows the owner to gain (or lose) the potential equity that is built up in the property over time. Most Canadians like homeownership because it provides a potential financial benefit in the future, offers stability for one’s family and shows commitment to community.

Homeownership is a societal and cultural norm. The Canadian preference for homeownership over other forms of tenure has enormous impacts on society (for example, low-density single detached housing in large suburbs). In order to address the coming changes with the aging population, society needs to question deeply-held beliefs about who lives in what, where they live and why they are there.

Seniors do not tend to be particularly mobile. Only one in 5 seniors (about 20%) has moved over the past 5 years. Compare that with the younger population between the ages of 30 to 34 where 70% have moved in the past five years. This is an important issue for housing considerations as it suggests that by about the age 60, most people do not tend to move. This means they live in one place and largely as homeowners. They tend to tie-up the equity (if they have any) in their homes and stifle housing turnover while they age. In higher-cost areas while seniors will be building equity in their homes they will not be spending their money on moving costs nor have they released equity in the homes that they have built up over time.

There are still a significant portion of seniors who are renters and who live in either apartments over 5 storeys or other apartments under 5 storeys. Renters do not tend to live in single detached housing like homeowners do. Figure 14 below shows the differences between owners and renters by various age groups and type of dwelling. Most seniors are homeowners who live in single detached housing. Those seniors that are renters however, live in apartments. This has important implications for the provision of at–home care which is the direction of Ontario government healthcare policy.
As the majority of seniors still live in scattered single detached housing across Ontario, the provision of healthcare in the home increases the delivery costs of the system as the travel and time costs associated with that dispersed delivery must be factored into any equation. On the other side of that issue, more and more seniors are choosing the condominium form of owning or renting over scattered single detached housing as they age. Figure 15 below identifies that over 43% of those aged 75 and over live in condominiums.

Condominiums are usually apartments or townhouses, which can offer greater opportunities for interacting with neighbours. Condominiums can appeal to older people because they combine the advantages of ownership with the freedom from undertaking substantial home maintenance or yard work.

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19 Source: Environics Analytics using Stats Canada data
Figure 15: Per cent of Owner Mover Households in Condo, Ontario 2011

As people age, they often move from homeownership or renting into nursing homes or residences for seniors. Figure 16 below identifies new data from Statistics Canada on persons living in Health-related collective dwellings. In 2011, over 90,000 Ontarians were living in nursing homes and over 30,000 in senior’s residences.

Where Canadians choose to live when they retire could have important consequences for how communities, businesses and government address population aging over the next several decades. Retirement often brings about major lifestyle changes that, for some households, result in a change of housing choices. The fact that the upcoming cohort of retirees is large, wealthier and more mobile than any previous generation, suggests that senior’s migration could be an important dimension of population aging that needs to be considered. It could have implications for future housing demand, urban planning and a host of other policy issues.

20 Source: Environics Analytics using Stats Canada data
The relocation of seniors between communities, to the extent that it involves movement across urban, rural and provincial boundaries, might entail important shifts in population and the tax base across jurisdictions that have varying services and public infrastructure. Depending on the value and rate of migration, these shifts could affect community dynamics and have important implications for service delivery, economic development and planning.

A relatively high rate of home ownership is expected to continue for the next 20 years, but there are questions about how policy can assist older owners to operate in the housing market to adjust their housing to fit their changing preferences and needs.

### 2.6 Housing Affordability for Seniors

Canada has traditionally measured housing affordability based on the shelter cost to income ratio (STIR) as well as “Core Housing Need” (CHN) which is a data manipulation undertaken by Canada Mortgage and Housing Corporation that is based on data available in the census. Core housing need captures the number of households who cannot access adequate or suitable housing without spending more than 30% of income on housing. CMHC’s development of the core housing need datasets in 1985 coincided with their own need to respond to federal priorities to better target social housing programs in cooperation with the provinces. The core housing need indicators have been available every 5 years since that time but have lost relevance over time as

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21 Source: Environics Analytics using Stats Canada data
the federal government has withdrawn from housing programs from 1995 and on. Provincial, territorial and municipal housing agencies, researchers, students and policy-makers continue to use this data to guide housing policy and program work as it does provide a consistent picture of housing need over time. CHN is also reliant on data from the long form census, which for the 2011 census was voluntary for the first time. Questions have arisen however about the ability of the data reliability at the local level.

In the datasets that are available, it is possible to segregate homeowner shelter cost to income ratios from renter STIR datasets. It is important to look at the difference between shelter costs for older Ontario homeowners vs renters to understand which group of people have the highest financial pressures. By spending more than 30% of one’s income on housing costs (rent or mortgage), the theory is that a household is not able to buy good quality food or to pay for other necessities. They are also potentially at risk of homelessness if they cannot pay their rent or mortgage.

Owners typically have more household income and most are not paying more than 30% on their shelter costs. Figure 17 below compares the percentage of homeowners and renters that are paying more than 30% of their income on shelter costs. About 17% of homeowners are paying more than 30% of their income on shelter whereas 42% of renters are.

About 30% of seniors who are one-person homeowner households pay more than 30% of their income on shelter. The picture is radically different for seniors who are renters, where 50% of those over the age of 75 are paying more than 30% of their income on rent. In general, seniors who are renters are likely having more housing affordability issues compared to owners.
While housing affordability issues can be captured and quantified, what is difficult to assess is whether that household is experiencing housing stress and is at risk of homelessness. Widely used Canadian housing measures focus on financial questions and do not explore what causes someone to experience housing stress and whether that stress leads to homelessness. Housing stress is sometimes measured in terms of people’s subjective views about their housing costs which are outside the scope of this paper. The assumption is that if a household is in financial stress, they might make choices they wouldn’t normally make under normal circumstances. The hypothesis is that a person’s ability to effectively function in society is reduced or they may go without proper food or other necessities – increasingly relying on food banks or other services to reduce their stress.

The other implication is that households in financial stress do not often have other options other than to stay where they are or to put their name on a waiting list for social housing hoping to find financial relief by paying less income for their housing.

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22 Source: Environics Analytics using Stats Canada data
2.7 Housing Stress

Housing stress is an implied issue in Canadian statistics but little research has been done to examine what it is and what to do about it. The assumption in Canada is that if households have an affordability issue then they will be in stress. This is an untested assumption.

Commonly used indicators of housing stress in other countries, like Australia, are not used in Canada (ie the 30/40 rule where 30% of gross income on housing and income is in the lowest 40% of all households). In recent work from Australia, researchers discovered that housing stress is only weakly linked to financial stress and chronic housing stress is linked with poor health\(^\text{23}\). Housing stress can have a physical as well as an emotional component, which are not necessarily evident when looking at financial measures. There are also some surprising results such as some households voluntarily choose housing stress (ie living in a high cost neighbourhood or seeking certain amenities). Because of the broad ranging nature of potential issues which relate to housing affordability, it is important to understand that lack of affordability does not necessarily cause housing stress and does not necessarily lead to homelessness.

In searching for an understanding of seniors’ housing issues in Ontario, it would be important to develop more reliable measures of housing issues such as local needs assessments. This is particularly relevant in the Ontario context in 2014 as the 47 service managers have recently completed their mandatory housing and homelessness plans. One requirement was to undertake a needs assessment.

In terms of grasping the issues related to seniors housing in Ontario, it is important to understand the interrelationship between different levels of government. The next section explores the services and programs available for seniors at the federal, provincial and municipal levels in Ontario.

\(^{23}\) Housing affordability, housing stress and household wellbeing in Australia, AHURI (Rowley and Ong), 2012
3.

Governing Frameworks and Seniors - Whose Role is it?

All levels of government have responsibility for providing programs and services to seniors. In Canada, it is an area of shared jurisdiction and mutual interest. Each government is also continually making decisions to take, or not to take, certain actions. The gradual transition of Canada’s baby boom population towards retirement in the last few years has been a warning signal for policy-makers regarding the long-term implications of population aging. Of particular concern are the growing pressures that are likely to occur to a broad range of public services used by seniors, notably, healthcare, public pension plans, long-term care and the financing of these services.

The demographic trends outlined in Section 2 denote that an increase in the senior cohort will have profound and lasting economic and social implications for the nation, leading to opportunities and challenges across a wide range of policy areas. Responding to these opportunities and challenges will necessitate the involvement and action by all three levels of government, the private and non-profit sectors, and a variety of partners in areas such as finance, transportation, housing, health, infrastructure, municipal affairs, community services, public safety and others.

Having set the demographic context for seniors in Canada and Ontario, this section of the report focuses on the role played by all three levels of government (federal, provincial and municipal) in the administration and provision of services for seniors. To complement this discussion a review of relevant strategies and initiatives were undertaken from a housing perspective to frame the context. Understanding these roles that shape policy and program delivery has important implications for addressing policy changes and programmatic services for seniors in the future, as the Canadian population ages.

3.1 Overview of Government-Funded Services for Seniors

Currently, there is no overarching policy framework for seniors’ programs and services in Canada or Ontario. There is however, a vested interest by all levels of government in addressing the needs of seniors. The federal government is responsible for public pensions and provides leadership on seniors and aging. Provincial and territorial
governments provide income tax measures (e.g. property tax relief) and other programs for seniors, such as subsidies for prescription drugs and transportation. Municipalities play a much smaller role in the delivery of programs to seniors, yet they are the agency most rooted at a community level, and experience the greatest cross-sectoral and on-the-ground impacts of an aging population. The concerns for policy-makers related to the effects of increasing number of seniors, are primarily at the local level where community, recreation and other services are delivered and urban planning and housing policy are conducted.

It is important to keep in mind that the range of municipal powers and responsibilities, including the share of provincial and municipal funding sources tied to particular services, differs substantially from one province to another. Notwithstanding this caveat, seniors are major drivers of municipal services. The age structure and demographic importance of the senior population in a community has an impact on municipal service delivery.

Ontario is the only province in Canada which has an intermediate government, the service manager, which sometimes equates to a municipal level of government and sometimes it doesn’t. In larger centres (like Toronto and Ottawa), the service manager is the municipal government. In more diffuse areas, the service manager can be an upper tier government representing multiple municipal governments (like Peel or York). Service managers can also sometimes be just the delivery or administrative arm for social service programs (like northern District Social Services Administration Boards). In practical terms, however, this had not been a barrier for the federal government to be involved in some local housing and related neighbourhood programs (e.g. former Homelessness Partnership Strategy programs was delivered locally) whereas in others it has been (e.g. former federally-funded social housing is always mediated by the Province of Ontario).

Regionally, the impacts of an aging population occur in isolation of an overarching policy framework, as neither the federal nor the provincial government have engaged in long-term capacity planning for the aging population. Despite this, it is evident that each level of government to a certain extent has under its umbrella programs geared to seniors directly or indirectly. Appendix A illustrates the role of all levels of government in delivery of services to seniors. While the diagram is specific to the Region of Peel (upper tier regional government level), this conceptualization succinctly provides an overview of the system through which the administration of senior programming by each level of government is undertaken. Notable is that the type and purpose of the different
government-funded programs and services is diverse, ranging from tax benefits and credits to direct service delivery to population-based prevention.

The following sub-sections provide a discussion of Appendix A through the lens of the roles and responsibilities by each level of government, specific to the provision of senior services.

3.1.1 Federal

As noted earlier, there is no national seniors’ strategy in Canada that puts forth an overarching policy direction from which to address the possible challenges associated with an increase in the seniors demographic. Despite this, the federal government is involved in addressing seniors’ care in Canada, but does not directly administer seniors’ care or programming. Canada’s ten provinces and three territories are largely responsible for direct service delivery to Canada’s seniors and many seniors’-related services, advocacy and educational activities are provided by the non-governmental and private sectors.

Recognizing that Appendix A only provides a partial spectrum of the vast network of programs and services available to seniors, the federal government is primarily responsible for the retirement income system and social safety net through the delivery of most public pensions, and supports private pensions through income tax incentives—Old Age Security (OAS), Canada Pension Plan (CPP), and Registered Pension Plans (RPPs) and Registered Retirement Savings Plans (RRSPs). The federal government does have a National Seniors Council which reports to the Minister of Employment and Social Development (responsibilities for seniors), and the Minister of Health (health-related issues for older Canadians). The National Seniors Council advises the federal government on issues affecting seniors across Canada. Additionally, at the federal level, Veteran Affairs Canada (VAC) provides benefits and financial support for long-term care of seniors who are veterans. The latter includes specific beds for veterans and priority access to beds in community care facilities\(^\text{24}\).

Canada Mortgage and Housing Corporation (CMHC), a crown corporation of the federal government, has offered various initiatives geared towards seniors and housing. CMHC’s role has changed many times since it was created more than 70 years ago.

\(^{24}\) Veteran’s Affairs Canada. Retrieved from: https://www.veterans.gc.ca/eng/services
Initially concerned with improving access to mortgages in an era before the chartered banks made mortgage loans, CMHC has since been involved in just about every area of housing since its inception. While substantial funding and investment was made in CMHC's original years, that role has shrunk over time as the federal government transferred those functions to provincial and territorial governments. More recently the Investment in Affordable Housing (IAH) program rules recommended that provinces and territories target the funding towards seniors housing, the decision to do so is managed at the provincial/territorial level. The federal government’s role has primarily been a financial one that is not overly directive in its approach.

Other types of housing programs offered in the past included the Residential Rehabilitation Assistance Program (RRAP)-Secondary/Garden Suite for developing a garden or secondary suite for low-income seniors, and the Home Adaptation for Seniors’ Independence Program (HASI) geared towards minor home adaptations that assist low-income seniors to perform daily activities in their home independently and safely. These funding pots, while helpful, were never overly substantial. They also used to be delivered directly and independently through CMHC while now, they are included as part of an overarching housing funding pot, the Investment in Affordable Housing Initiative (IAH) and renamed “Ontario Renovates”. Decisions on whether Ontario Renovates will be available in a given area are up to the service manager. With so many pressures at the local level for affordable housing, service managers may choose not to offer Ontario Renovates at all.

Through CMHC, about $1.7 billion continues to flow to provinces/territories for social housing programs developed under federal agreements. Explicit is that all these specific housing programs are geared towards low-income seniors and have a limited time-frame. Recently, there appears to be a renewed interest in new deeper income housing programs, as witnessed by the attention given to the Federal/Provincial IAH Initiative. The focus of this initiative, like most of the government strategies of the past decade, seems to be focussed on serving as many people as possible and not targeting specific groups, like seniors. Programs and services for seniors that are directed from the federal level appear to be siloed with no overarching strategy directing their development or funding.

During the 1970s and early 1980s, seniors benefited from federal housing policies that created seniors housing in the public and non-profit sectors. As well, programs were

available to help seniors to remain in their homes through home maintenance and repair programs and other home support services. In the 1990s, all this changed. At the same time the federal government devolved responsibility of social housing to the provinces and territories, it withdrew funds for supporting seniors in their homes and communities that were available through various programs existing at the time. In 2004, the federal government reinstated some of these programs, but it is not clear what impact this has had on supporting seniors in communities. While there is a renewed interest in social and affordable housing as an issue, the primary focus from program delivery is at the provincial or territorial level.

A poll released by the Canadian Medical Association reports that a federal priority should be to create a national strategy for seniors, although from the lens of seniors’ health which includes an emphasis on keeping them in their homes as long as possible. While recognizing the role of ‘home’ as an important variable in successfully ensuring that seniors have healthy outcomes, housing provision is lost as part of the priority and is considered only as an afterthought. The federal government, and to a great degree the provincial governments, have not effectively dealt with the needs of lower-income seniors who are not adequately housed.

Aging in place and age-friendly communities are increasingly being adopted in the federal policy lingo but much attention is given to health provision of seniors and less emphasis is placed on housing, despite it being a basic necessity of life and a key element of aging in place. Further, at a programmatic level linkages between the health provision side and the housing side have not always been made thus creating siloes in serving the needs of seniors. Exacerbating the issue is the federal government’s limited funding for new affordable housing, and the claw back of financial resources to support social housing. The lack of integration is more profound in Ontario where the responsibility for housing funding and administration has been devolved to the service manager level.

Canada has no national housing plan, no national seniors plan and no national seniors health plan. This may be because the federal government feels that provinces and territories should have these plans in place and that it isn’t a national requirement. Never before however, have we had such compelling reasons to closely examine the ways in which we serve older Ontarians, their families, and their caregivers. There is a need for the federal government to take a leadership role in seniors housing. In 2009, the Senate Special Committee on Aging released Canada’s Aging Population: Seizing the Opportunity. This report identified gaps in areas affecting seniors such as health
care, transportation, housing and support systems and called on the federal government to take action to address the gaps that exist in meeting the needs of Canada’s aging population.26 A recommendation within the Senate report called on the federal government to “facilitate the desire of Canadians to age in their place of choice with adequate housing, transportation, and integrated health and social services” and increase the stock of affordable housing for seniors across the country as a part of developing a long-term national housing plan.27 At this time, there has been no action to implement this recommendation.

Policies fostering programs and services which allow older persons to age in place are needed in order to prepare for the huge number of Canadians in the baby boom generation that will grow old in the next two decades. It is important that government-developed housing for seniors be repaired and maintained. Seniors’ housing also needs to be retrofitted so that it is an appropriate (supportive) housing environment so that older residents can ‘age in place’. Cooperation among the various players, housing, health, municipal affairs and recreation could result in the creation of a necessary housing environment.

Within this context, the Minister of Employment and Social Development (formerly Human Resources and Skills Development) is accountable for housing policy to the current government. In addition to overseeing the Canada Mortgage and Housing Corporation, this responsibility includes administration of a small number of expiring provincial partnerships. The Minister of Finance and the Bank of Canada also play roles in national housing policy via responsibilities associated with lending institutions. Despite the administrative responsibilities, the federal government does not have a national housing strategy or if it does have one, it is not a public strategy. While this issue has not gone unnoticed by advocates, it is discomforting that the federal government has not had a more specific view about seniors housing, given the potential red flags that will occur with an aging population.

3.1.2 Provincial

The care of seniors rests largely at the provincial and territorial level. The role of the provincial government is one of a steward over the delivery of health care and social

26 Parliament of Canada news release

services but does have scope to design and shape the health and social services system for seniors. Provinces have introduced small-scale programs which reflect their own demographic and housing needs in a climate of fiscal restraint. Most of these have been programs that are continuations, or variations, of existing or earlier federal initiatives.

In the context of Ontario, the province has done a great deal of good work in the past decade to encourage healthy aging and enhance and improve the lives of seniors having introduced a number of progressive strategies linked with significant investments through initiatives like its Aging at Home Strategy. The aim of this strategy is two-fold: 1) improve the lives of Ontario seniors; and 2) ensure the sustainability of the overall health system. This strategy takes a multifaceted approach to providing community-based alternatives to hospitals and long-term care homes that allow seniors to stay healthy and remain in their homes longer. Home-care, supportive living, and community support services are included under the initiative. The strategy, announced in 2007, was originally intended to last over four years with an investment of almost $1 billion but has been extended until 2014 and is delivered through Local Health Integration Networks (LHINs). Under this strategy Ontario has expanded its community living options for seniors through enhanced home care and community support services, which avoid the unnecessary loss of independence due to premature admission to higher-care long-term care homes or hospitals. In addition, the strategy aims to reduce emergency room wait-times by decreasing the number of alternate level of care (ALC) patients in Ontario hospitals.

Two recent positive steps have been to establish political representation, a Minister Responsible for Senior Affairs and to release “Ontario’s Action Plan for Senior’s: Independence, Activity and Good Health” in 2013. The Action Plan stresses the need to develop a seniors strategy as a way to establish sustainable best practices and policies at a provincial level that support the local delivery of health, social, and community care services with a focus on helping older Ontarians to stay healthy and at home longer. In addition to this Dr. Samir Sinha as the provincial lead in developing Ontario’s Seniors Strategy released Living Longer, Living Well (LLLW) in 2012. This report was submitted to MOHLTC and the Minister Responsible for Seniors to provide recommendations for government to consider. Set within the context of the negative financial potential that the demographic surge of seniors may have on Ontario’s healthcare system, the

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28 ALC patients are individuals who occupy acute care beds in hospitals, but would be better cared for in another setting such as their own homes, care homes or rehab.
strategy states explicitly that if the aging demographic impacts to healthcare are left unaddressed could bankrupt the province. The LLLW is aimed at promoting healthy aging including enhancing the provision of community care services to allow “a wider range of home care, community support services, and affordable housing options…that will allow more people to remain independent and age in the place of their choice, rather than requiring more costly and sometimes less desirable care of living options.”

A central thread in Ontario’s approach to its senior is the concept of ‘aging at home’, informed by the demographic trend that shows a large movement in Canada towards seniors aging in their own homes. In fact, CMHC’s 2011 Seniors Housing Report found that 85% of Canadians want to remain in their homes for as long as possible. While Ontario is promoting the diversion of seniors away from the health care system towards a more community based approach of aging at home, noteworthy is that income (or lack of income) impacts decisions for many seniors to age at home. In response, one of the recommendations from the Living Longer, Living Well strategy is that the Province of Ontario should encourage and support its communities to ensure that there continue to exist a variety of accessible housing options that are safe, affordable, and conveniently located while promoting independence as the functional needs of older Ontarians change.

Ontario’s reports are interlayered with recommendations that overlap and are without a clear sense of actionable direction. Furthermore ‘housing’ and ‘home’ are terms used in both strategies over and over again. The role of Ontario’s Ministry of Municipal Affairs and Housing however, in delivery and support of the strategy, is limited and minimal. In fact, under the new Living Longer, Living Well strategy there is only one recommendation specific to MMAH: “The Ministry of Health and Long-Term Care, in partnership with the Ministry of Municipal Affairs and Housing and the Ministry of Community and Social Services, should encourage the development of more Assisted Living and Supportive Housing Units as alternatives to Long-Term Care Home placement for those who would benefit most from these environments.” This denotes the mismatch and disconnect between how ministries perceive a strategic direction versus administration and service delivery for seniors. Housing, again, is given less of a priority, while it is clearly an important necessary component in improving the quality of life of an individual, in particular seniors. The tendency towards ‘silo-thinking’ separating housing from other policy areas undermines effective responses to threats posed by the housing system. There is a considerable body of evidence that links an individual’s housing situation to their outcomes in a range of other areas. However, housing policies and programs are very rarely integrated with other programs.
What is needed in Ontario is an overarching plan that provides a framework for addressing the needs of vulnerable seniors, while supporting active, healthy aging for the broader senior population. Theoretically and agreed-upon is the need for stronger inter-ministerial collaboration.

Attached Appendix A identifies four primary provincial areas for programs and services that are already in place for Ontario’s seniors: Ministry of Finance, Ministry of Health and Long-Term Care, Seniors’ Secretariat and the Ministry of Municipal Affairs and Housing. The Ministry of Finance looks after the programs and initiatives related to taxes. The LHIN system operates under the MOHLTC.

LHINs were created by the Ontario government in 2006, through Local Health System Integration Act, 2006. These are locally based associations intended to generate enhanced community engagement. Prior to the formation of LHINs, health care services in Ontario were delivered in isolation. It is important to note that LHINs do not directly provide services. The LHIN mandate is to plan, integrate, and fund health care services across Ontario. Collectively LHINs oversee approximately $20.3 billion health care dollars that flow to community support service providers, long term care homes, hospitals, community health centres and community care access centres.

The Ontario Seniors Secretariat is the central provincial body devoted to seniors’ issues and guides the development of policies and programs across government, on behalf of seniors. The objective of this provincial body is to improve the quality of life for Ontario’s seniors by: 1) developing policies and programs that meet the needs of seniors and help them lead active, healthy and dignified lives, 2) providing seniors with the information they need about vital programs and services, healthy lifestyles and aging, and 3) maintaining close working relationships with senior organizations across the province. The Retirement Homes Regulatory Authority falls under the Seniors Secretariat.

The Ministry of Municipal Affairs and Housing (MMAH) is the provincial body that has responsibility for housing. Its role however, is limited as the funding and administration of housing programs was devolved to the service manager level in 2000. In 2010, MMAH released its Long-Term Affordable Housing Strategy (LTAHS) and Housing

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29 Long-term care facilities are for people who require 24-hour nursing care and supervision within a secure setting. In general, these facilities offer higher levels of personal care and support than those typically offered by either retirement homes or supportive housing.

30 Retrieved from: http://www.lhins.on.ca/aboutlhin.aspx?ekmensel=e2f22c9a_72_184_btnlink
Policy Statement\textsuperscript{31} which presented the provincial role in the future as being a steward over broader housing issues. The strategy gives service managers who fund and deliver the services on the front line more flexibility to use existing resources to meet diverse housing needs locally. Driving the LTAHS is the vision of “putting people first”. Under the LTAHS, the \textit{Housing Services Act, 2011}\textsuperscript{32} came into effect with a requirement for 47 Consolidated Municipal Service Managers and in the north, District Social Services Administration Boards (both are referred to as “service managers”) in Ontario to develop 10 year local housing and homelessness plans. In fact, the new Act places emphasis on addressing housing needs for the housing system as a whole and not just social housing as previously existed. Part of the requirement for the housing and homelessness plan development is addressing the needs of seniors. Emphasis is placed on the service manager level to address the needs, rather than program design or funding initiated at the provincial level.

In the last decade there has been limited housing program design undertaken at the provincial level. There has been some support funding available but this has not been long-term nor has it been integrated into a larger framework. For example, there are currently more than 5,000 seniors living in supportive housing\textsuperscript{33} units funded and administered by other provincial ministries in Ontario.\textsuperscript{34} The Investment in Affordable Housing (IAH) is a four-year federal/provincial program, launched in 2011, that provides almost $481 million in federal and provincial funding to create and repair approximately, 7,000 affordable housing units over four years across Ontario. Seniors are among the targeted client groups. Although the province has messaged that the IAH program has helped seniors continue to live independently, it does not identify how many.

Under various federal and provincial social housing programs in the past, funding was provided to support housing projects with a seniors-only mandate. Social housing in Canada was originally funded through long-term agreements between the federal and provincial governments. Due to the devolution and local services realignment, service managers are now responsible to fund and administer housing programs formerly

\textsuperscript{31} Retrieved from: http://www.mah.gov.on.ca/AssetFactory.aspx?did=9262
\textsuperscript{32} The HSA replaced the \textit{Social Housing Reform Act, 2000}.
\textsuperscript{33} Supportive housing is a type of non-profit housing for people who need support to live independently e.g. ill older adults, people with mental health problems, disabilities, chronically homeless, etc. In Ontario, supportive housing providers were not downloaded to the service managers. Support-service funding is provided by the Ministry of Health and Long-Term Care or the Ministry of Community and Social Services.
\textsuperscript{34} Retrieved from: http://www.oacao.org/images/ontarioseniorsactionplan-en.pdf
funded by the provincial governments in years before 1998. The federal government portion of these funds has continued to flow down to service managers through the province but these federal funds have begun to expire and will continue to do so over the next 30 years.

Ontario has not yet developed strong policies to deal with the challenges related to the expiring federal funding although some service managers have begun to do so. These types of issues hinder the outcomes and objectives set up by other provincial government departments that focus on aging in place and aging at home.

The increase in the number of seniors ‘aging in place’ raises important questions regarding the roles and responsibilities of housing providers to support seniors living in their buildings. They also highlight the mismatch and ill-coordination between varying jurisdictional policy areas in Ontario. As illustrated at the provincial level, the challenge remains that Ontario’s network of programs and services for seniors is highly complex, with a different set of services organized, delivered and communicated by different ministries and community agencies which is further exacerbated by overlapping and often entangled roles and responsibilities. In particular the housing system reflects a patchwork of jurisdictions, demanding a high degree of policy coordination and priority-setting among federal, provincial, and local governments. This can make it difficult for seniors and their caregivers to access the support and services they need.

3.1.3 Service Manager/Municipal

Service manager and municipal governments are important partners in the delivery and management of a range of facilities, programs and services for seniors. However, the level and degree of municipal involvement varies from province to province, ranging from service delivery, management oversight, funding, and community partnerships.

In Ontario, the service manager role in the provision of services for seniors is relatively small compared to the provincial government and is controlled in some areas by provincial oversight (i.e. funding, legislation and regulation). Compared to the rest of Canada, Ontario is a unique entity in that since 2000, service managers are responsible for the funding and administering social and affordable housing, other social services programs such as Ontario Works35 and childcare, and in many cases also deliver

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35 Service manager responsibilities for Ontario Works administration are also in the process of transitioning over time. Formerly a cost-shared program with municipalities, by 2018, the province will be paying 100% of the costs of social assistance in Ontario.
homelessness initiatives. The introduction of this funding and administrative role for service managers was a radical shift for government to make.

The service manager role has shifted and evolved over the past 14 years but the primary housing functions are identified in the *Housing Services Act, 2011*. These functions involve managing a waiting list for rent-geared-to-income housing, funding and administering agreements or operating frameworks with non-profits and co-op housing providers as well as for service manager-owned entities and subsidizing a certain number of RGI households annually as identified in legislation. Their roles are often much broader than that and vary across the province.

In their role as service system managers for social housing, they also fund and administer substantial subsidies for housing projects that are dedicated for low-income seniors as well as supporting many seniors who are living in non-dedicated or mixed buildings. The total number of social housing units dedicated for seniors is estimated to be about 60,000 units across Ontario. It is important to note that the organizations that house seniors vary from service manager-owned entities (like Toronto Community Housing Corporation) to community-based non-profits and co-ops. The scale and governance of these organizations often reflect the nature of the communities in which they operate. So in this regard, the existing social housing for seniors varies greatly across Ontario.

Service managers and municipal governments also support public services like transit, recreation and libraries. Programs and services are sometimes supported financially by the province or federal government and sometimes the service manager or municipality pays for services. Examples include property tax assistance for low-income seniors, snow removal financial assistance programs, driveway window cleaning pilot programs, senior’s centres and recreation programs, seniors transit cards and seniors library programs.

As municipal governments deliver the basic services used by individuals on a day-to-day basis, the increase of the seniors demographic will be felt in an increase in use of municipal services such as community centres and transit services. According to the *Coming of Age: The Municipal Role in Caring for Ontario’s Seniors Report* by AMO

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*RGI* is a subsidy paid to a housing provider to support lower income residents and is sometimes guaranteed for the life of the mortgage (usually 35-50 years). In Ontario, the RGI subsidy typically equals the difference between the actual rent paid by a low-income tenant (paying approximately 30% of their income) and the government approved market rent of a unit.
reported that from 2000-2008 the amount spent by municipal governments on assistance to seniors increased by 40%; and as the number of seniors continues to increase, so will the associated costs borne by municipal governments.

In 2010, the Ontario Seniors Secretariat hosted 7 regional forums to activate age-friendly initiatives. At this point, twelve (12) Ontario communities are members of the WHO Global Network of Age-Friendly Cities and Communities and another 26 communities are in the process of joining. The process to become an age-friendly community can become a focal point locally to drive seniors’ initiatives within the complex web of federal, provincial and service manager programs and services that ultimately impact people. In those service manager areas that are also Age Friendly Communities, the 10-year housing and homelessness plans have integrated approaches for addressing issues for seniors.

While not identified in Appendix A, private corporations and non-profit agencies also provide a significant number of supports and services for seniors. Some of these providers receive money from the provincial government to deliver services in the community (e.g. supportive housing and long-term care), while others raise funds through private sources, such as user fees (e.g. retirement homes and private home care services).

For many reasons related to changes in health, income and mobility in older age, seniors are important users of municipal recreational services, public transit, social housing and long-term care. For example, in Ontario municipalities between 2001 and 2010, assistance to aged persons was consistently the largest component of municipal spending on community supports. It was higher than total spending on children (child care) and general social assistance for working-age individuals.

One common obstacle is the lack of collaboration between the municipal and provincial governments as well as between governments and the public. This can lead to a duplication of services and a lack of understanding about the most suitable options. A common policy framework and capacity planning for seniors would help to ensure that government-funded services, as well as those provided by the private and non-profit sectors, meet the needs of seniors today and in the future.

Frontline service deliverers like service managers and municipalities are often forced to fill in program delivery gaps left by the provincial and the federal governments. Although
aging at home and age-friendly communities are provincial initiatives\textsuperscript{37}, it is up to the service managers to implement age-friendly strategies and ensure there is sufficient social and affordable housing to meet the needs of their senior populations. While cost savings may be achieved from municipal initiatives this does not necessarily mean the benefits will be experienced at the municipal level.

\textsuperscript{37} While Age friendly communities originally stemmed from WHO, there is a provincial push for municipalities to adopt the strategy.
4.

Social Housing for Seniors in Ontario

4.1 The Data

The total number of social housing units dedicated for seniors is estimated to be between 60,000 and 70,000 units across Ontario or 25 to 30% of the total social housing stock of 240,000. There are another 500 co-operative housing units dedicated for seniors which fall outside of service manager jurisdiction\(^{38}\). There are no province-wide statistics that capture how many seniors live in non-dedicated social or affordable housing or mixed-client-type buildings. For example, some seniors live with family members and others have aged in place but have not moved to a seniors-only building. Since there is no requirement for service managers to report to the province on the number of seniors living in social or affordable housing, it is not possible to know how many seniors are currently living in social housing buildings across Ontario.

If it is any indication of the broader Ontario numbers, Toronto Community Housing Corporation (TCHC), which is owned by the City of Toronto, houses 26,000 people over the age of 59\(^{39}\) of which 75% live alone.\(^ {40}\) TCHC has about 13,000 units dedicated for seniors which means that they are housing double the number of seniors than expected.

The social housing stock is also a limited resource for low-income households because no new social housing with dedicated ongoing operating and rent-geared-to-income subsidy has been built in Ontario since the late 1990s. The bulk of social housing was built between 1945 and 1990. Since 1995, government program funding has been devoted primarily to the development of affordable rental housing with some assistance going to meet the needs of households with very low incomes through limited rent

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\(^{38}\) Source: The Agency for Co-operative Housing. The Agency administers agreements with co-operative housing projects that are subject to operating agreements with Canada Mortgage and Housing Corporation. These are referred to as federal co-ops and fall outside the jurisdiction of the service manager.

\(^{39}\) Each service manager is allowed under the Housing Services Act to identify the eligibility age for seniors RGI housing that is lower than the federal government limit of 65. Toronto’s limit is 59 years of age. Other service managers use lower or higher limits depending on the local context.

supplements. The expectation was that the private sector would step in to help construct new rental housing. This hasn’t happened until only recently – but the rental housing deficit is already apparent. Before the last round of substantial government programs for housing were cut in the mid-90s, rental starts hovered around 21% of total starts. This fell to just two per cent from 1997 to 1999 before rising to about six per cent from 2003 to 2012. This low level of rental production is unprecedented in any period since 1950\(^{41}\). Over the past 20 years, new rental housing has been in short supply which has limited the options of those looking for alternative places to live.

The demand for the limited social housing resource by seniors has shifted over the past 10 years since the introduction of common waiting lists for each service manager area. The Ontario Non-Profit Housing Association’s (ONPHA) annual waiting list survey identified that the number of seniors on waiting lists had increased from 21% in 2003 to 29% in 2012. There were over 45,000 senior households waiting for RGI housing across Ontario. Movement on the waiting list is dependent on people who are currently housed leaving their unit which creates a vacancy for someone on the waiting list to move in. The report also notes that demand is likely to continue to grow as baby boomers transition to retirement and supply is further constrained by unit turnover, as residents remain in their RGI housing longer.\(^{42}\)

Seniors do not tend to wait as long as non-seniors for an available RGI unit. Seniors can be housed in about 6 months in Rainy River but will wait for over 5 years in Toronto or Timiskaming\(^{43}\). This is caused by the lack of vacancies in the seniors housing stock in those areas or because there is a mismatch in the housing stock that is available in an area compared to where the demand is on the waiting list. This can only be corrected by developing new housing options to meet the need in the area.

In 2010, HSC established a forum for the 11 arm’s length Local Housing Corporations (LHCs) to enhance information exchanges amongst the sector, improve access to leading edge thoughts on business practices, and increase the quality of working environment for their staff. The arm’s length LHC’s are varied in their geography, scale and structure but they manage and own the majority of the service manager-owned

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\(^{41}\) Where’s Home? Looking back and looking forward at the need for affordable housing in Ontario, ONPHA and CHF Canada – Ontario Region, 2013.


\(^{43}\) Retrieved from: https://www.onpha.on.ca/onpha/Content/PolicyAndResearch/Waiting_lists_reports/Waiting_Lists_2013.aspx
housing units in Ontario --- over 94,000 housing units or 39% of the total units in the province.

HSC’s 2012 survey of the arm’s length LHCs\textsuperscript{44} identified that about 25% of their housing units were dedicated for seniors. The variation in numbers for the 35 LHCs that are integrated into the service manager structure is not known. Figure 18 below identifies the variation in the number and per cent of dedicated seniors housing units for the arm’s length LHCs. There is however, great variation in the percentage of seniors housing that each LHC owns and manages. In some areas like Hamilton, 45% of their total housing stock is dedicated for seniors while in Toronto, 22% of the total stock is dedicated for seniors.

Figure 18: Number and per cent of arm’s length LHC social housing units dedicated for seniors

<table>
<thead>
<tr>
<th>Local Housing Corporations</th>
<th>Type</th>
<th>Total</th>
<th>Senior</th>
<th>Per cent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Housing Hamilton Corporation</td>
<td>N</td>
<td>7,034</td>
<td>3,180</td>
<td>45%</td>
</tr>
<tr>
<td>Cornwall and Area Housing Corporation</td>
<td>n</td>
<td>1,587</td>
<td>741</td>
<td>47%</td>
</tr>
<tr>
<td>Elgin and St. Thomas Housing Corporation</td>
<td>n</td>
<td>530</td>
<td>18</td>
<td>3%</td>
</tr>
<tr>
<td>Haldimand Norfolk Housing Corporation</td>
<td>n</td>
<td>391</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Kingston &amp; Frontenac Housing Corporation</td>
<td>n</td>
<td>1,016</td>
<td>49</td>
<td>5%</td>
</tr>
<tr>
<td>London &amp; Middlesex Housing Corporation</td>
<td>n/r</td>
<td>3,772</td>
<td>n/r</td>
<td>NA</td>
</tr>
<tr>
<td>Nipissing District Housing Corporation</td>
<td>n</td>
<td>853</td>
<td>174</td>
<td>20%</td>
</tr>
<tr>
<td>Ottawa Community Housing Corporation</td>
<td>n</td>
<td>14,829</td>
<td>3,411</td>
<td>23%</td>
</tr>
<tr>
<td>Peterborough Housing Corporation</td>
<td>n</td>
<td>1,044</td>
<td>405</td>
<td>39%</td>
</tr>
<tr>
<td>Toronto Community Housing Corporation</td>
<td>n</td>
<td>58,326</td>
<td>13,114</td>
<td>22%</td>
</tr>
<tr>
<td>Windsor Essex Community Housing Corporation</td>
<td>n</td>
<td>4,708</td>
<td>2,577</td>
<td>55%</td>
</tr>
<tr>
<td>Total</td>
<td>n</td>
<td>94,090</td>
<td>23,669</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: LHC Survey 2012

Social housing is regarded as an affordable housing option when it provides security of tenure, proximity to amenities, family and friends, and has adequate maintenance and modifications, but is a source of frustration and difficulty when it does not. Key concerns of poor social housing for older people may include lack of adequate internal and outdoor space, mixed tenancies that include young people and noisy or dangerous neighbourhoods. Seniors need stability, affordability and access to maintenance or modifications as required. These are not always possible in the social housing sector because it is a limited resource and has become one of many financial stressors on the property tax base of municipalities and service managers.

4.2 Why is housing a policy issue for seniors?

From the review of available data from Statistics Canada, the aging population has implications in the future for all levels of government, for housing providers that house seniors and for the stakeholders that support that work. Section 3 covered the data available and some of the key points are that the number of seniors in Ontario is expected to double in size over the next 20 years. Aging baby boomers will likely live longer than previous generations. Although most boomers will be better off
economically, there will still be the need to develop affordable housing options for those that are not. Older women may be a particularly vulnerable group. Older Canadians are quite often condo owners so condominium corporations may need to consider how this impacts them.

Housing affordability and security for those who enter old age as renters stands out as a priority. The dollar amount of government income is likely insufficient to enable older renters to compete in the rental market, and many need other support to find housing that meets their needs in terms of location and utilities, and that provides secure and stable tenure. Social housing is a viable potential solution to the housing needs of low-income older people but it is a constrained resource.

Housing is a well-documented determinant of health. The primary factors that shape the health of Canadians are not medical treatments or lifestyle choices but rather the living conditions they experience. Age, combined with low-income and living arrangements (living alone or without access to social support networks), is directly related to problems in housing. A person’s housing environment is also very important to them. Older persons are very attached to their homes and communities, and many studies describe why the housing environment comes increasing significant as persons grow older. The quality or characteristics of this environment can largely determine the extent to which they will maintain their independence, privacy, auditory and visual capacity and the ability to exercise control over their lives. Housing is a major variable in an older person’s life physically, socially, financially and psychologically.

Housing stock is primarily where it is because of what happened in the past with land availability and planning approvals. It can often be poorly distributed because times change. In other words, the demand for housing today often does not equate to where the housing is physically located. For example, a growing share of the housing stock may be over-consumed by empty nesters while there is over-crowding by young families who need exactly that kind of housing. It is common for large single-family homes to be occupied for years by one or two people (‘mom and/or dad”) after children leave home. Pointing to the failure of current federal tax policy affects distribution of housing stock as a response to emerging demographic issues- particularly challenges associated with our aging society’s ability to maintain a decent home and appropriate housing during retirement.

http://www.thecanadianfacts.org/The_Canadian_Facts.pdf
Service managers can support these various housing options through a variety of land use, development charges or property tax policies. However, private residential builders and developers of housing will need to play a leadership role. Service managers could also encourage the development of accessible housing for seniors through cash incentives or relief from certain charges or fees. Infill housing guidelines can suggest ways to provide a wide range of housing choices. The scope for requiring such features or units to be set aside for those with disabilities, whether related to aging or not, is clearly greater where affordable housing with government assistance is being created, and municipal assistance and incentives can be in the form of relief from development charges or planning application fees or reduced property taxes, etc.46

These are just some of the challenges faced by service managers as they try to grapple with the aging demographic. A key challenge for service managers is to ensure there are sufficient housing options to meet growing demand from seniors as well as to work with the provincial government to broaden services to encompass a range of supports such as family and social needs as well as opportunities for cultural, social and political activities. The limited social housing resource that exists at the service manager level is able to provide some relief for low-income seniors but it cannot be relied on as the only option as so little new stock is being created. Another key challenge is that because social housing is constrained and much of it is inappropriate to older people’s needs, service managers need to consider what options might be available to either regenerate or modify existing stock to accommodate older people.

Part of the confusion over who does what when it comes to seniors housing issues is because as seniors age, their housing needs change and many seniors begin to need more care. Seniors also can make housing choices based on the level of care that they need or want and can afford. If a senior household can afford a private retirement home with built-in care services, they will choose to live there. However, if a senior household cannot afford that, their housing options are limited. The more intense the care that is needed or wanted, more government regulation is involved and the costs to run the facility are very high. In the most expensive options (like long-term care homes and hospitals), they are technically the only option for those with high or extremely high care needs. In that sense, the care function is integrated with the housing and is also funded by the provincial government.

46 Housing for Older Canadians, 1999, CMHC.
Figure 18 below links the housing continuum with the care continuum to demonstrate that when considering seniors needs over time and as they age, there are gaps and complications in the linkages between the housing and care systems.

**Figure 19: Seniors Housing and Care Continuum**

With the linkage of seniors and housing care continuums, there are a range of housing options that encompass different stages of life for both seniors and non-seniors. At any stage in this continuum support services can be delivered. For example, care and supports can be provided to those living in their own homes or apartments. Support services can also be provided in an integrative fashion as can be found with supportive housing.

A key observation is that due to growth of the numbers of seniors generally, the number of seniors who live alone and the number who are frail or have disabilities, there will be a need to expand the number of assisted living or supportive housing facilities that can enable seniors to stay in the community rather than in long-term healthcare facilities. This is not a straight forward response as housing options for low-income people are within the domain of the service manager and support services are within the domain of the provincial government through the healthcare system in Ontario. The coordination of support services and housing funding for seniors must be a collaborative effort between service managers, the provincial government and the LHINs.
There is also no clear mapping of how these two systems currently integrate or should integrate in the future. While information on retirement homes, supportive housing, long-term care facilities and hospitals can be found, how that relates to the provision of general rental housing or social housing for seniors need is not clear. There is no overarching framework that oversees what is currently available, who runs that housing, how you access it and how much it costs.

There is also a built-in and perhaps naïve assumption on the part of the Aging at Home Strategies that the housing available for lower-income seniors is currently safe, affordable and stable into the future. This is not always the case. The next section presents a case study of seniors social housing which has the potential to reduce the already constrained number of available housing for lower-income people in Ontario.
5.

Case Study: The Impacts of Social Housing End Dates on Seniors Housing

5.1 What is EOA?

EOA is a catchall term (“end dates” or “expiry”) used to describe the range of program consequences and uncertainties that arise when the initial financing arrangements for a social housing project are discharged. EOA refers to two possibilities:

- The expiry of federally signed operating agreements OR
- The expiry of mortgages and capital financing obligations under *Housing Services Act*

The most important aspect of EOA is that there is a loss of the related funding coming from federal government to the province and through to service managers from now until 2032 (currently reduced to about $400 million). Over $50 million has already disappeared. It currently represents from 30 to 50% of a service manager’s revenue, depending on the area. There are no indications from either federal or provincial governments about its replacement. Current housing and tenancy legislation is also vague about what happens at EOA.

As a part of the development of social housing projects, the federal government would enter into an operating agreement with the housing provider. The operating agreement was a contract that outlined the subsidies to be provided by the federal government and the obligations of the housing provider. “The subsidies were given to help housing providers offset the costs of running their buildings while also housing people with low incomes.”47 The length of the operating agreement was linked to the mortgages which funded the acquisition or construction of these buildings, and usually lasted for 35 years, or 50 years.48

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The original intention was that when the mortgages matured and the operating agreements expired, the cash flow requirements would “substantially decline and projects will be able to continue to operate at affordable rent levels and to serve low-income clients, without further subsidy from government.” However, at the centre of this plan was the assumption that when the agreements ended resident rents would be enough to cover building operating costs, and pay for future repair and capital costs. This was an untested assumption made at the time.

Service managers and housing providers are facing the reality that their mortgage is about to mature but that they might not have enough money from resident rents to cover the costs of operating the buildings in the future. The reason they may not have enough money is because their residents have low incomes and government subsidy has been helping to support these housing providers and residents over the term of the operating agreement.

Research to date by HSC shows that projects with a high ratio of subsidized residents paying a rent-geared-to-income (RGI) rent or that have high capital repair liabilities are more likely to suffer declines in affordability or be lost altogether when mortgages mature and the related federal funding expires. In general, where there are a high proportion of RGI households and very low-income households that require higher subsidies, projects are not likely to be viable at EOA. Research demonstrates that in Ontario there are a significant number of housing projects that house residents with very low incomes and do not generate sufficient revenue to pay for ongoing and future costs. Because of the inability of many housing projects to be self-sufficient without government subsidies to assist the poor, the potential implication of losing affordable housing stock are significant. There are however some projects that have low RGI ratios and do not have high capital repair liabilities that will be in a much better position to continue to provide affordable housing at EOA.

In Ontario, social housing has the unique distinction of falling largely under a municipal mandate, administered by service managers including District Social Services Administration Boards through the Housing Services Act. The main concern for housing providers is their own viability at EOA. For service managers viability concerns involve their ability to maintain provincially mandated service level standards which dictate the minimum number of RGI housing units that must be subsidized in each area annually.

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According to ONPHA’s 2013 *Waiting Lists Survey*, the number of seniors waiting for social housing has been growing since 2004, reaching 45,385 households in 2013, with one-quarter of all waiting households being seniors. This increased seniors’ presence on Ontario’s social housing waitlists is a symptom of a much larger trend occurring throughout Canada and much of the western world.

While the seniors population is increasing at an unprecedented rate, there is already a mismatch in the amount of social housing versus the need. This disparity is further complicated by the expiring of social housing operating agreements. When an agreement expires and a mortgage matures, the federal funding associated with this agreement also expires. This potentially means that many housing providers will no longer be obliged to deliver social and affordable housing. The current policy direction coming from the provincial government for seniors to age at home is in direct contrast with the implications of EOA occurring at the service manager level, which could result in considerably less seniors housing.

### 5.2 Understanding Social Housing End Dates

Findings in this report are a further exploration of data collected for *Social Housing End Dates in Ontario: Assessing Impacts and Promoting Good Practices*, a study completed by the Housing Services Corporation (HSC), the Association of Municipalities of Ontario (AMO) and the Ontario Municipal Knowledge Network (OMKN). A total of 32 service managers provided project level data for this study, which formed the basis of the Ontario-wide sample. The sample is comprised of 2,557 eligible projects (with EOA date and proxy EOA date) including 504 seniors projects. The data in this report provides an overview of project viability for seniors’-specific projects across Ontario. Seniors’-specific projects are exclusively seniors and exclude mixed-residency types (i.e. families, single adults, etc.). For ease of use, EOA refers to both the expiry of federally-signed operating agreements as well as the expiry of mortgages and capital financing obligations in housing in Ontario under the *Housing Services Act* (HSA).

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51 Waiting List Survey, ONPHA 2013.

52 Waiting List Survey, ONPHA 2013.
For every project included in the survey, project viability is examined at the current reporting year (pre-EOA) and at EOA. In order to estimate viability, project viability is projected by assessing both Capital Reserve position and Current Net Operating Income position (NOI) position. To project viability post-EOA, a third variable, the number of years until EOA is used.

The premise of the viability testing is to determine if a project can operate without subsidy and without a mortgage at EOA (see Figure 20). To do this, two tests are required: the first to measure a project’s operating position using Net Operating Income (NOI), and the second to measure capital position by assessing ability to meet anticipated capital needs over time.

**Figure 20: Assessing Housing Project Viability over time**

<table>
<thead>
<tr>
<th>Capital Reserve Position</th>
<th>NOI Position</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>Pass</td>
<td>1</td>
</tr>
<tr>
<td>Positive</td>
<td>Pass</td>
<td>2</td>
</tr>
<tr>
<td>Positive</td>
<td>Fail</td>
<td>3</td>
</tr>
<tr>
<td>Positive</td>
<td>Fail</td>
<td>4</td>
</tr>
<tr>
<td>Negative</td>
<td>Pass</td>
<td></td>
</tr>
<tr>
<td>Negative</td>
<td>Fail</td>
<td></td>
</tr>
</tbody>
</table>

There are 4 viability ratings possible:

1. **Rating 1** - Projects with a rating of 1 are deemed most viable because both their Net Operating Income (NOI) position is positive and capital reserves are in a positive position.
2. **Rating 2** - Projects with a rating of 2 are projects with inadequate reserves to meet capital demand but they do have a positive NOI.
3. **Rating 3** - Projects with a rating of 3 show a negative NOI position but have sufficient capital reserves to cover needs.
4. **Rating 4** - Projects with a rating of 4 are deemed least viable because both the net operating income position and capital reserve position are negative.
5.3 Social Housing End Dates for Seniors Housing

Figure 21 provides a seniors’-specific curve of projects expiring by year. Between the years of 2010-2019, more seniors’ projects are expiring than non-seniors’ projects. During the peak period, between the years 2020-2029, there are slightly fewer seniors projects expiring than the non-seniors’ group. What this demonstrates is that seniors’ projects generally expire sooner than non-seniors’ housing projects do. This suggests that seniors’ housing providers have less time to address the expiry curve than other housing providers. It also suggests that service managers with higher proportions of seniors’ housing in their areas have less time to work with their seniors’ housing providers than with their non-seniors’ housing providers.

**Figure 21: Seniors’ Vs. Non-Seniors’ Projects by EOA Periods**

Using the Project Viability Testing Grid the viability of seniors’ projects can be assessed. The assessment of EOA viability is done at two stages, the reporting year, which ranges from 2007 to 2012 depending on the project and program, and a year that reflects project viability at the year of EOA. Comparing the two different dates can demonstrate important project viability trends in seniors housing. Figure 22 below shows changes in viability rating for seniors’ projects in Ontario. This group of projects shows decreases for projects in categories “1” and “3” at post-EOA, as well as notable increases for categories “2” and “4”.
While seniors’ projects have an overall shift of about 18 per cent in project viability during post-EOA, what can be seen is a general trend of seniors’ housing projects to drop from a higher viability category to a lower one.

**Figure 22: Per cent Change of Project Viability at post-EOA**

<table>
<thead>
<tr>
<th>Seniors</th>
<th>pre-EOA</th>
<th>post-EOA</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 = Positive NOI and Reserve Position</td>
<td>188</td>
<td>103</td>
<td>-45%</td>
</tr>
<tr>
<td>2 = Positive NOI but Negative Reserve Position</td>
<td>58</td>
<td>107</td>
<td>84%</td>
</tr>
<tr>
<td>3 = Negative NOI but Positive Reserve Position</td>
<td>108</td>
<td>107</td>
<td>-1%</td>
</tr>
<tr>
<td>4 = Negative NOI and Reserve Position</td>
<td>77</td>
<td>104</td>
<td>35%</td>
</tr>
</tbody>
</table>

There is a dramatic increase with projects with a positive NOI and negative reserve position (category “2”) from 58 projects to 107 at post-EOA. The increase of projects falling into category “2” is a disturbing trend. With category “2” there is sufficient net operating income but insufficient reserves. The implications of having an increase in category “2” for seniors’ projects are actually more detrimental than an increase in category “3”. For projects in category “2” with enough NOI but not enough reserves, what exists is an unsustainable operating environment. This suggests that over time, the provider may not have sufficient funds to address their building condition issues which arise. While there may be enough total revenue to support current expenses such as maintenance, property tax, administrative costs and utilities, but without proper reserve funds, the buildings themselves may not be sustainable.

Figure 23 below shows the overall EOA viability results for seniors’ projects at the current reporting year and at the time of EOA. Projects with a viability rating of “1” which are deemed most viable and projects with a rating of “3” decreased, while projects with ratings of “2” and “4” increased. While capital reserves can play a key role in project viability for seniors’ projects at EOA, the majority of cases for both pre- and post-EOA are projects with a negative NOI but positive capital reserve position (rated “3”).
Figure 23: Seniors Project Viability at Current Year and at EOA

<table>
<thead>
<tr>
<th>Project Viability for Seniors</th>
<th>PRE-EOA</th>
<th>POST-EOA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capital Reserve Position</td>
<td>NOI Position</td>
</tr>
<tr>
<td></td>
<td>Rating = 2</td>
<td>Rating = 1 (most viable)</td>
</tr>
<tr>
<td></td>
<td>Rating = 4</td>
<td>Rating = 3</td>
</tr>
<tr>
<td>Assessed</td>
<td>13%</td>
<td>44%</td>
</tr>
<tr>
<td>Unknown</td>
<td>18%</td>
<td>25%</td>
</tr>
<tr>
<td>Total Cases</td>
<td>554</td>
<td>555</td>
</tr>
</tbody>
</table>

Using Actuals and Proxies

Pre-EOA is based on current reporting year while post-EOA is based on reported EOA date with escalated values. NOI Position excludes subsidy, reserve contribution, and P+I. Current display is based on Actuals and Proxies.

Figure 23 is viewed alongside the EOA viability trends specific to seniors’ projects. At post-EOA, there is a decrease in projects that are deemed most viable with the highest increase in ratings “2” and “4”. The majority of projects at pre-EOA are rated most viable, while at post-EOA the majority are split evenly among the ratings.

Over time, seniors’ projects across Ontario can become considerably less viable. This means that a large percentage of existing seniors’ affordable housing is at risk of losing their affordability for low-income seniors when operating agreements expire and federal funding ends. It is important to note that even though projects in category “1” and deemed most viable at EOA, many still have no formal obligation to the service manager to continue to offer affordable housing for low-income households and can leave the affordable housing system.

At the service manager and housing provider level, the expiry of social housing operating agreements has been a foreseeable reality for some time now. At the provincial policy level, the government has not made public its perspective or position about the implications of EOA to the social housing portfolio in Ontario. Many service managers are very aware of the potential loss of social housing stock in their areas and have made it a priority to undertake in-depth analysis of their options (e.g. City of Kingston, Niagara Region and the City of Toronto). Several have written reports to Council explaining possible impacts.

There is a disconnect between what is occurring at the service manager level and the aims of the provincial government and the health sector where strategies such as Aging
At Home which promote people staying where they are. When these strategies and positions are examined in the context of EOA, it calls into question whether these lofty goals can be made real for lower income people. The principle of the Ontario’s senior’s strategy Living Longer Living Well, to divert seniors away from expensive healthcare settings through the expansion of homecare and community support services, is solid. There is an assumption within Living Longer Living Well and other aging at home strategies, that there is enough housing stock to meet the goals of the strategies.

This assumption does not appear to have been extended or tested in the social or affordable housing system. Given the already long waitlist for social housing and the possible dwindling subsidized housing stock, low-income seniors may be shut out of this possibility. For financially sound seniors and seniors that own their homes, aging at home presents great opportunities, but for the large number of seniors who struggle with affordability issues and do not have suitable place to age, aging at home may not be feasible. The provincial government, the health and LHIN sectors need a better understanding of the service manager-owned social housing portfolio from which to implement and coordinate aging at home programs and services in a way that meets the needs of all seniors.

5.4 Interviews with Service Managers

As previously addressed and illustrated by the differing priorities of local seniors' strategies and the Federation of Canadian Municipalities’ (FCM) report Canada’s Aging Population: the Municipal Role in Canada’s Demographic Shift, which measured the demographic trends of seniors across Canada, the impact and response to seniors differs regionally. In a survey conducted of five service managers in Ontario concerning the impacts of EOA on seniors housing portfolios, it is clear that even though the number of seniors is increasing throughout the province, the situation being experienced by service managers is not a uniform one.

Manitoulin-Sudbury has readjusted their housing portfolio to reflect the increasing seniors on the waiting list by converting two social housing buildings to seniors’ only

buildings. The service manager indicated that because of changes within the area, they were able to easily repurpose existing buildings to better meet the demand in the area. They had noticed that there was increasingly a need for support services for existing senior residents. Like other service managers, they felt the disconnect between the provision of support services through the local LHIN and the provision of the housing at the service manager level. Better dialogue between ministries is needed along with better connections with the service manager.

Ottawa stated that 27% of the units in the city are for seniors but that only 18% of those on the waiting list were seniors. There is an Older Adult Plan in place in the city and they are working towards meeting their goals in that plan. Ottawa felt that there were sufficient RGI units for seniors already in existence to meet the demand on the list. However, the biggest gap they noticed is the number of existing residents needing access to support. They identified one interesting model in the area - Perley Rideau which is a veteran’s facility in a cluster model – with long-term care, affordable rental, RGI units and assisted living. They have also begun to explore funding formerly used for domiciliary hostels towards clustered units with care. Ottawa noticed that there are several redevelopment options on the horizon where the social housing provider is exploring options for the future. Ottawa noted that while they can see the needs in the community, the possible solutions aren’t cohesively in place yet. Life leases may be one option they will explore as a way to improve affordability for some seniors. No seniors housing projects have expired yet so no lessons could be passed on to other service managers.

Simcoe noted that its large territory covers several communities which are already marketing themselves as destinations for retiring wealthy and fit seniors. They also noted that they have pockets of aging due to this factor. Simcoe does not yet have a specific strategy for seniors but their housing and homelessness plan includes discussion about the variable pockets of aging that are happening in the county. They also recently used affordable housing funding to build an affordable rental housing building in a larger continuum of care facility in Penetanguishene called Georgian Village. The facility opened in late 2013 and also includes life lease apartments, long-


term care beds and regular rental housing. Of those seniors social housing projects with upcoming expiries, Simcoe seemed to think that most of the housing providers would continue to provide the housing into the future thereby retaining the affordability for seniors in the area. One observation is that due to the Simcoe area markets, rent supplements can often offer a good solution to solving the needs of low income seniors.

Toronto responded that at this point no seniors’ housing projects had expired but with the increasing number of seniors on the waiting list, more social and affordable housing options for seniors were needed. They have also already begun to engage with many seniors social housing providers about their plans for expiry. Since no seniors housing projects have actually expired, like other service managers, no good practices have emerged yet. Toronto had already noticed that the problems they were experiencing on the waiting list were for people between the ages of 60 to 64 who are at greater risk of being homeless than those over 65. In this regard, they have recently introduced a short-term targeted housing allowance program for that age group. The Toronto’s Housing Opportunities Plan did address seniors’ issues and included engagement with the existing city seniors’ roundtable. They are also introducing a new Housing Stability Plan which will deal with broader issues related to eviction prevention. Several new seniors’ affordable rental buildings have opened in Toronto.

Waterloo noted that during their work on the housing and homelessness plan, consultations with seniors uncovered an unexpected result. Consultations revealed many in the community take a personal approach to the issue of affordability. It became clear that when moderate-income seniors ask for affordable housing, they are often asking for retirement homes or apartment buildings with access to support services, meals, cleaning assistance and even medical care. Sometimes they are looking to pick and choose services from a menu of options but that the private care homes don’t allow that level of choice or are too expensive. One of the learnings is that seniors are basically looking for affordable assisted-living facilities which are not overly common in Ontario. There is one new example of this “middle ground”. Sunnyside Supportive Housing in Waterloo offers a housing option in-between independent living and long-term care in a campus-like setting with a long-term care facility and affordable rental housing\(^{57}\). It was jointly funded with capital funding from the IAH initiative, rent supplement from the service manager and operating funding from the LHIN. Most of

Waterloo’s issues are with non-seniors and have directed IAH funding toward that in recent years. They also have not yet had any seniors housing projects expire although early conversations have begun with those housing providers.

Despite differing experiences, there are important trends emerging regarding how service managers are handling the increase in seniors demographic in the face of EOA. In contrast to Toronto, Waterloo and Ottawa are experiencing a demand not for seniors’ apartment buildings, but for seniors housing with support services or assisted living facilities. Great creativity is also being shown amongst the service managers in terms of working collaboratively with existing funding pots from IAH and MOHLTC to meet growing community needs for cluster/continuum of care models (e.g. Georgian Village Perley Rideau and Sunnyside Supportive Housing). Some service managers are exploring the use of short-term housing allowance and rent supplement programs to assist seniors temporarily before they can find spots where greater care is available. Access to additional funding is needed to undertake capital repairs or for unit upgrades to make them more accessible for seniors’ needs.

From these interviews and the research conducted, it becomes clear that the seniors’ housing involves more than just bricks and mortar. As encountered in the interviews, simply having enough housing is not sufficient, when it comes to seniors, as housing in and of itself is not always the answer. While the importance of affordable seniors’ housing cannot be overstated, there currently exists a gap between support services and housing. As previously demonstrated in the Seniors’ Housing and Care Continuum in Figure 18, support services can be added to any housing option, and become integrated with housing in supportive housing and hospitals. The continuum represents two extremes: those who can afford supports and age at home, or those who cannot afford supports and must move into housing where care is integrated, such as long-term care homes. What is needed is a middle ground, a more basic and adaptable form of supportive care that can be implemented for lower income seniors that provides basic supports that allow those who would otherwise be forced into hospitalization or a long-term care home to age in place.
6. Conclusion and Recommendations

EOA has the potential to decrease the amount of affordable seniors housing stock in Ontario. Given that there is an unprecedented increase in the number of seniors combined with their anticipated high cost on the healthcare system, housing sits at the crux of Ontario’s solution of saving itself from potential bankruptcy. However without adequate housing available to support Ontario’s aging-at-home initiatives and strategies, there will be a large group of seniors who, because of a lack of affordable housing and proper supports, will be forced into expensive long-term care homes and emergency rooms, from which the province will bear the cost.

The issues raised by the impending EOA have no single solution; the complexity of the challenges will require service managers to consider a variety of mitigation strategies. In the face of EOA, the obvious solution is for service managers to appeal to the provincial and federal governments to extend funding for social housing operating agreements. An example of this is FCM’s national campaign “Fixing Canada's Housing Crunch” which calls on all orders of government in Canada to commit to a long-term plan for housing. However, given the climate of minimal federal and provincial government investment in housing, there needs to be a contingency plan. Another way of mitigating the impacts of EOA is through service managers exercising and leveraging their autonomy under the Municipal Act and increased flexibility under the Housing Services Act in order to sustain their housing portfolios.58

Even though social and affordable housing are funded and regulated at the provincial level, service managers have the chance to examine existing revenue and service tools (e.g. property taxes or municipal service charges) to see if cost reductions are possible. Service managers can begin to explore re-working and re-imagining how they relate to housing portfolios at EOA. While efforts to reengage the provincial and federal governments are important, service managers cannot rely on a financial windfall from other levels of government to save the day. The onus falls on service managers to take a broad perspective of their housing portfolios and reconfigure their relationship with housing providers. Rather than continue the current funding streams or current

58 or in Toronto’s case, the City of Toronto Act
requirements, service managers can reimagine what social housing is thereby creating the next generation of housing programs (referred to as Housing Version 4.0) for lower income people in Canada\textsuperscript{59}. EOA presents an ideal time for service managers to reconnect and recreate relationships with housing providers subject to former federal housing programs.

After operating agreements expire, there is nothing stopping service managers from making their own agreements with housing providers, offering incentives for housing providers to continue to deliver affordable housing or reconfiguring how municipal services are paid for or delivered or only offering to fund lower-income seniors through rent supplement. At EOA, service managers could work with housing providers no longer interested in delivering social housing and transferring assets to other housing providers who still want to deliver social housing. Service managers can explore shared service delivery methods to save costs. They can explore methods such as readjusting the tenant mix to increase building viability and continue to provide affordable housing.

The crux of the matter is that the pressures facing Ontario on the social housing side due to the loss of federal funding, the increasing number of seniors waiting for social housing and the looming growth of the older population require heartfelt and earnest collaborative work among multiple government levels, community agencies and people. It is recommended that:

**Canada Mortgage and Housing Corporation**

1. Re-examine its decision to end the flow of subsidy to the province associated with the end of social housing operating agreements and re-invest savings in new capital and operating funding for low- and moderate-income households.

**Ministry of Municipal Affairs and Housing (Ontario)**

2. Work with service managers to build capacity to assess the impacts of post-EOA and consider establishing and funding an EOA Resource Centre.

3. Re-assess the levels of IAH funding given the rise of the need for seniors affordable housing.

\textsuperscript{59} Version1.0 refers to the public housing era, 2.0 to community-based housing era, 3.0 to affordable rental housing era and 4.0 to the next generation.
4. Work collaboratively with service managers and the Ministry of Health and Long Term Care to assess and project long-term need for housing options for seniors including social housing, assisted living, supportive housing and long term-care homes.

Ministry of Health and Long Term Care (Ontario)

1. Work collaboratively with service managers and the Ministry of Municipal Affairs and Housing to assess and project long-term need for housing options for seniors including social housing, assisted living, supportive housing and long term-care homes.

2. Reassess the Aging at Home Strategies (including Living Longer, Living Well) in the context of lower-income seniors and integrate the specific issues faced by them in terms of the availability of funding for new affordable housing and in light of the challenges faced by service managers.

Service Managers

1. Analyze the state of housing in their area to understand which housing providers are most vulnerable and which ones are viable in order to develop their EOA Transition Plan or strategy to address their local situation.

2. Examine existing revenue and service tools in service manager control (e.g. property taxes or municipal service charges) to see if cost reductions are possible for housing providers. Reduced costs to housing providers may mean that they can continue to support lower-income residents in their buildings over a longer period of time.

3. Begin to explore re-working and re-imagining how they relate to housing providers at EOA.

4. Work with their boards and councils to adopt resolutions recommended by the Federation of Canadian Municipalities to “Fix the Housing Crunch”.
5. Account for the evolving demographics and the needs of seniors in the updates to their 10-Year Housing and Homelessness Plans and ensure integration of seniors strategies/action plans in the updates to the plans due in the future.

6. Work with local developers of seniors housing to expand the range of housing supply for low-income seniors by exploring mixed funding involving IAH and private sector contributions.

7. Explore changing the designation of underused housing assets from non-seniors to seniors in order to address the increasing number of seniors on the waiting list.

8. Explore and take advantage of opportunities to redevelop or repurpose existing housing assets to meet the increasing number of seniors on waiting lists.
Appendix A: Overview of Government-Funded Services for Seniors
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