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The Regional Municipality of Durham Report

To: Health and Social Services Committee
From: Commissioner of Social Services
Report: #2026-SS-1
Date: April 9, 2026

Subject:
Repayable Subsidy Advance Policy for Community Housing Providers

Recommendation:

That the Health and Social Services Committee recommends to Regional Council:

- A) That the Region adopt a Repayable Subsidy Advance Policy, for community housing providers experiencing serious, urgent, and time-limited financial difficulty that poses an immediate risk to housing operations, tenant health and safety, or the continued availability of affordable housing units, guided by the principles of early intervention, minimum necessary support, full repayment, and increased monitoring and oversight.
 - B) That the Commissioner of Social Services, in concurrence with Finance and Legal Services, be authorized to determine eligibility, approve subsidy advance amounts within established parameters, impose appropriate conditions and monitoring requirements, and execute subsidy advance agreements on behalf of the Region as Service Manager, including establishing repayment terms.
 - C) That the Subsidy Advance Policy replace the 2002 Council-approved emergency loan framework, and operate as an early-intervention complement to the 2020 receivership funding policy, and be subject to periodic reporting for information to Council to ensure transparency, fiscal responsibility, and oversight.
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Report:

1. Purpose

- 1.1 The purpose of this report is to recommend an updated framework with respect to repayable subsidy advances to community housing providers experiencing serious financial difficulty. These advances would be used to financially stabilize at-risk housing projects and prevent the loss of affordable housing units, with

repayment to commence as soon as practical through deductions from future subsidy payments, or when entering into a Part VII.1 service agreement or another agreed-upon date. The intent is to provide timely, controlled financial support in exceptional circumstances, enabling the Region to intervene early and avoid more costly outcomes such as receivership.

2. Background

- 2.1 As Service Manager under the Housing Services Act, 2011 (HSA), the Region of Durham is responsible for the administration, funding, and oversight of community housing providers. This includes ensuring the financial and operational viability of housing projects and intervening when providers face serious challenges.
- a. The HSA establishes the minimum funding that Service Managers must provide in administering community housing programs. Under the Act, Service Managers are required to provide prescribed subsidies to housing providers and are responsible for managing federal, provincial, and local housing costs. These legislated requirements represent the baseline level of funding that must be maintained to ensure compliance with provincial legislation.
 - b. Service Managers are required to use reasonable efforts to assist housing providers in addressing situations that may lead to a triggering event under the HSA. However, Service Managers are not obligated to take actions that would require the expenditure of additional funds.
 - c. Many Service Managers have introduced municipally funded supplemental supports for the community housing sector to help address capital repair needs. The Region of Durham through the approved 2026 Business Plans and Budgets, established a property tax funded pilot program to provide capital funding to community housing providers to help address capital repairs. The ten year housing and homelessness support service and financing strategy ([Report #2025-COW-14](#)) forecasts incremental annual regional investments in this program over the next ten years.
- 2.2 While most providers operate sustainably, some encounter financial pressures that can threaten their ability to maintain housing operations. Examples include inability to meet financial obligations including utilities, property taxes, etc. due to cash flow shortfalls; inability to complete required capital repairs that impact health and safety of tenants; inability to turn over vacant units to facilitate new move ins due to cash flow shortfalls, etc. These situations, if unaddressed, can lead to the loss of affordable housing units and displacement of tenants.
- 2.3 This recommendation for the Repayable Subsidy Advance Policy builds on and updates two previous Council-approved reports:
- a. Report #2002-F-9 authorized the Treasurer to issue emergency loans of up to \$50,000 or 10% of a provider's annual subsidy, with larger or non-repayable amounts requiring Finance and Administration Committee approval. That policy provided a foundation for urgent financial intervention but is now

outdated and misaligned with current departmental responsibilities. It is important to note that the original amount reflected financial pressures identified in 2002, which differ significantly from current realities. The value of \$50,000 in 2002 does not reflect today's economic context.

- b. Report #2020-COW-28 directed that the costs of receivership for managing projects in difficulty be funded from the Social Housing Reserve Fund and applied retroactively. While this approach addressed the financial burden of receivership, it did not provide a mechanism to prevent providers from reaching the point of requiring a receiver, which is both disruptive and costly.

3. Previous Reports and Decisions

- 3.1 [2002-F-9](#) – Financial Policies for Administration of Social Housing
- 3.2 2020-COW-28 – Community Housing Projects in Difficulty as at September 30, 2020

4. Proposed Subsidy Advance Approach

- 4.1 The Subsidy Advance Approach will include steps for the Region to issue repayable subsidy advances to community housing providers experiencing acute financial difficulty. This approach provides a proactive tool to support providers in urgent situations, helping to maintain the viability of housing projects and prevent the need for more costly interventions such as receivership.
- 4.2 Subsidy advances issued under this approach will be guided by the following principles:
 - a. Early Intervention: Support is provided before a provider reaches the point of a triggering event requiring more costly intervention.
 - b. Minimum Necessary Support: Advances are limited to the minimum amount required to address the immediate financial issue.
 - c. Repayment: All advances are repayable to the Region with repayment commencing as soon as possible through deduction from future subsidy payments, unless the Region determines that immediate repayment would result in further financial harm to the provider.
 - d. Accountability: Advances are documented through formal agreements with defined repayment terms and increased monitoring and oversight.
 - e. Time-Limited Use: Advances address exceptional, urgent, and time-sensitive situations only.
- 4.3 Subsidy advances will only be considered under certain conditions:
 - a. The provider is experiencing serious financial difficulty that poses an immediate risk to ongoing housing operations; tenant health and safety; or the continued availability of affordable housing units.

- b. The financial difficulty is time-sensitive and cannot be reasonably resolved through existing approved subsidy schedules or operational adjustments. This requires the provider to be up to date with mandatory program submissions.
 - c. The provider has demonstrated that other reasonable mitigation options have been explored and that without intervention, the situation may escalate to a triggering event.
 - d. The provider agrees to repayment terms as set out in the new directive; enhanced financial reporting and monitoring as deemed necessary by the Region; and any other conditions imposed by the Region as part of the subsidy advance agreement.
- 4.4 The use of this policy would be tracked and reported to Council for information through periodic updates.
- 4.5 This policy will replace the 2002 emergency loan framework (Report #2002-F-9) and supplements the 2020 receivership funding policy (Report #2020-COW-28). While the 2020 receivership funding policy addresses the financial implications of receivership, the proposed Subsidy Advance Policy is designed to intervene earlier in the lifecycle of provider difficulty—offering a more cost-effective and less disruptive alternative to receivership.

5. Implementation

- 5.1 The Subsidy Advance Approach will be implemented through the creation of a formal directive to be operationalized by Housing Services, Business Services, and Finance staff. Staff will continue to monitor the financial health of community housing providers and identify cases of serious financial difficulty through existing oversight mechanisms. When a provider is identified as being at risk, staff will assess the situation and determine whether a subsidy advance is the appropriate intervention.
- 5.2 Internal protocols will be developed to guide the assessment and approval process, including clear eligibility criteria, documentation standards, and agreement templates to ensure consistency and accountability. Each advance will be formalized through a written agreement outlining the amount, purpose, repayment terms, and any conditions.
- 5.3 Providers receiving advances will be subject to enhanced monitoring and supported through capacity-building efforts to strengthen their long-term sustainability.

6. Financial Implications

- 6.1 Financing for Subsidy Advances issued under this policy is available under the Community Housing Provider Payments program in the Housing Services section of the annual Business Plans and Budgets. Repayment of Subsidy Advances will be returned to the same program.

7. Relationship to Strategic Plan

- 7.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Connected and Vibrant Communities – C2. Enable a full range of housing options, including housing that is affordable and close to transit.
 - b. Healthy People, Caring Communities – H3. Integrate and co-ordinate service delivery for positive life outcomes, including investments in poverty reduction, housing solutions, and homelessness supports.

8. Conclusion

- 8.1 The proposed Subsidy Advance Approach provides the Region with a practical and fiscally responsible tool to support community housing providers in urgent financial situations. By authorizing the issuance of repayable subsidy advances, the Region can be more proactive to stabilize at-risk housing projects, protect tenants, and preserve community housing stock.
- 8.2 This approach replaces the previous 2002 emergency loan framework and complements the 2020 receivership funding policy by offering an earlier intervention option that may prevent the need for costly and disruptive receivership measures. It reinforces the Region's commitment to maintaining a sustainable and resilient community housing sector, while ensuring that public funds are used transparently and recovered appropriately. The proposed model balances the need for timely intervention with strong accountability measures and aligns with ongoing efforts to build capacity within the sector.
- 8.3 Approval of this Subsidy Advance Approach will strengthen the Region's ability to fulfill its responsibilities as Service Manager under the HSA and support the long-term viability of Durham's community housing system.
- 8.4 This report has been reviewed by the Finance Department and the Commissioner of Finance concurs with the financial recommendations.

Respectfully submitted,

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer