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ANNUALIZED PROVINCIAL RENT BANK PROGRAM

The Community and Health Services Committee recommends the adoption of the recommendations contained in the following report dated September 3, 2009, from the Commissioner of Community and Health Services.

1. RECOMMENDATIONS

It is recommended that:

1. The Commissioner of Community and Health Services be authorized to execute an agreement with the Ministry of Municipal Affairs and Housing to access the annualized 100% funding under the Provincial Rent Bank Program with no tax levy impact to the Region, subject to review by Legal Services. The Program will continue to be delivered as a grant to eligible residents.

2. The Commissioner of Community and Health Services be authorized to execute a purchase of service agreement with third party providers delivering the Homelessness Prevention Program to administer the Provincial Rent Bank Program and other initiatives and activities associated with the Provincial Rent Bank Program, subject to review by Legal Services.

3. The Commissioner of Community and Health Services be authorized to allocate any available Provincial Rent Bank funding in-year to other initiatives that will support the mandate of the Provincial Rent Bank Program such as the Social Services Branch to support Ontario Works/Ontario Disability Support Program recipients in accordance with the Community and Health Services Department's policies and objectives.

2. PURPOSE

This report seeks Regional Council's approval in the delivery of the annualized Provincial Rent Bank Program funding allocation as a part of the current delivery model of homelessness prevention supports to residents of York Region.

3. BACKGROUND

PROVINCIAL RENT BANK PROGRAM

Assisting low income people who have short term rental arrears to avoid eviction

In March 2004, the Ministry of Municipal Affairs and Housing (MMAH) announced funding for the delivery of the Provincial Rent Bank Program. The intention of this program was to:

- Promote housing stability by assisting low income people who have short-term rental arrears to avoid eviction; and
- Divert people from the emergency shelter system, thus creating cost savings for the province and municipalities who share responsibilities for shelter costs.

On September 23, 2004, Regional Council approved the recommendations to enter into a funding agreement with Northridge Church of the Salvation Army to flow a portion of the funding (75%) through the already established Homelessness Prevention Program with the adoption of Clause No. 5 of Report No. 7 of the Community Services and Housing Committee. It was also approved that the balance of the funding (25%) would be allocated through the Social Services Branch for Ontario Works/Ontario Disability Support Program recipients.

The funding allocation to the Region was initially a one-time grant but due to the demand and success of this homelessness prevention initiative across the Province, MMAH continued to invest in the program by providing funding to Service Managers on a year to year basis. Through this program, on average 170 York Region households are assisted annually to avoid eviction and keep their housing.

The results of the previous evaluation of the Region’s Homelessness Prevention Program indicated that it is more cost-effective to keep individuals and families housed rather than assisting them while residing in an emergency shelter. The same can be said of the Rent Bank Program which is delivered through the larger Homelessness Prevention Program. In 2008 the average monthly cost to house a family of four in an emergency shelter, which would include food, shelter and a personal needs allowance was $5,667. The average monthly cost to assist a household through the Rent Bank Program was $1,670.

4. ANALYSIS AND OPTIONS

A new annualized Rent Bank Program

In December 2008, as part of the Provincial Poverty Reduction Strategy, MMAH announced stabilized funding for the Rent Bank Program with a total province-wide commitment of $5 million per year. Since the announcement, MMAH has been working with Service Managers such as York Region, who deliver the program on behalf of the Province, to implement a new Rent Bank Program. Service Managers were invited by MMAH to participate on a Rent Bank Advisory Working Group for the purpose of making recommendations to the Province on the new annualized Rent Bank Program. The program changes were developed in response to the recommendations by the Rent Bank Advisory Working Group, the 2008 provincial program evaluation, input from a Service Managers workshop in the Fall of 2008 and based on the Terms of Reference criteria as set out by the Province.

MMAH states that the annualized program will improve consistency in Service Manager fund administration and streamline reporting requirements. The new funding model effective April 1, 2009, is based on equal weighting of Service Manager area population, core housing need and renter population. York Region's annual program funding allocation from April 2009 – March 2010 is $234,500.

New Rent Bank Program rules

The new Rent Bank Program includes rules already existing under the program, in addition to local and new rules as set out by the Province which govern the use of the annualized funding. The Region currently operates the Rent Bank Program through the already established Homelessness Prevention Program and it is recommended that this continue. The following rules are new from the Province, but will not impact on the Region's delivery of the Program:

- Program funding can only be provided to one applicant per household and shall be done so no more than once every two years from the date of receipt by the applicant's application for assistance.

- Applicants must be a resident of the recipient's Service Manager area and meet requirements for status in Canada.

- Applicants must be in immediate danger of losing his or her residence due to unpaid rent.

The following new provincial rules will change how the Rent Bank Program is delivered in York Region, however, we are fortunate to have the Homelessness Prevention Program in place as it will continue to support low income households and minimize the impact that the new rules have on applicants. The new rules that may impact service delivery are:

- *Households must be below the household income limits.* In York Region, we serve all low income individuals or families who qualify for assistance through an application process. There may be applicants who are over the household income limits set by the Ministry and who are in an emergency situation but still require assistance. These individuals will continue to receive assistance through the Region's Homelessness Prevention Program.

- *Applicant's household must not be receiving rent-geared-to-income assistance.* Although it is not a common occurrence, rent-geared-to-income households find themselves in emergency situations or have a family crisis and fall into rental arrears. In York Region we assist rent-geared-to-income tenants if they qualify through the Region's Homelessness Prevention Program as it is more advantageous to have a low income household maintain this type of affordable housing as there is a very long waitlist for housing.

- *Program funding for each household shall not exceed two times the average market rent*. Previously, the Rent Bank rule was two months of rent arrears only. The change to two times the average market rent rather than the two month cap may allow for increased funding for applicants who have monthly rent that is below the average market rent. (For example: the applicant's monthly rent is $100/month, the applicant is in arrears $200, the average market rent for the area is $200/month. The applicant could have the full amount covered through the new funding model). However, if the applicant's monthly rent is more than the average market rent, this revised Rent Bank Program will not fully cover two months of arrears and top up assistance may be required through the Region's Homelessness Prevention Program.

A Grant Based Program is a more practical option than a loan based program

York Region delivers the Rent Bank Program as a grant to eligible residents and there is no requirement by the recipient to repay the funding. Although the Province will still allow municipalities to operate the Rent Bank as a grant based program, the new Rent Bank Program focuses on a loan based program. The loan based program requires that low income recipients set up a repayment plan to repay the funding they obtained through the Rent Bank Program. Although the loan based process allows the recipient to access this program more than once every two years if the rent bank funding is fully paid back, it places additional undue hardship on recipients who are already financially vulnerable.

The loan based program is also not cost efficient for municipalities. The challenges of a loan based program are:

- Recovering the funding is costly and highly administrative. As well, the 10% administrative funding provided by the Province does not cover the actual costs of recovering the funds.

- Information from other Service Managers indicates that the loan recovery rate is very low due to the financial vulnerability of the recipients and the administrative costs to recover the funding do not make this a financially viable exercise.

The new provincial funding will continue to be delivered in York Region as a grant program through the existing Regional Homelessness Prevention Program so that those low income households who access the program are not required to stretch their already limited budgets to make repayment. Low income households will continue to be able to access the service only every two years or access Homelessness Prevention Program, which provide support only once in a lifetime.

5. FINANCIAL IMPLICATIONS

The Region's 2009 Operating Budget includes $192,000 under the Rent Bank Program. The new funding model will result in additional expenditures off set by 100% funding with no impact on the regional tax levy. The new annualized funding of $234,500 will be included in the proposed 2010 Operating Budget.

Table 1
Financial Contributions to Rent Bank Program

Year	Provincial Contribution	Regional Contribution
2009	$192,000	$0
2010	$234,500	$0

The program will be managed within provincial funding levels with no regional tax levy impact for the Provincial Rent Bank Program

6. LOCAL MUNICIPAL IMPACT

The Provincial Rent Bank Program assists residents throughout York Region who are at risk of homelessness due to the inability to pay their rent arrears. This funding has increased the Region's ability to prevent homelessness and stabilize households.

7. CONCLUSION

The provincial government's decision to annualize Rent Bank funding will stabilize funding for homelessness prevention programs currently in place and help keep some of York Region's most vulnerable residents housed. It has been demonstrated that it is more cost effective to keep individuals and families in their homes than to have them reside in emergency shelters or to be homeless. Since the inception of the program, Rent Bank funding has enhanced service delivery to at risk households in York Region.

For more information on this report, please contact Cordelia Abankwa-Harris, Managing Director, Strategic Service Integration and Policy Branch at Extension 2150.

The Senior Management Group has reviewed this report.