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RENT SUPPLEMENT PROGRAM ACTIVITY REPORT

The Community Services and Housing Committee recommends adoption of the recommendations contained in the following report, February 17, 2005, from the Commissioner of Community Services and Housing:

1. RECOMMENDATIONS

It is recommended that:

1. The Commissioner of Community Services and Housing report to Committee and Council annually with a summary of rent supplement program activity and options for managing any cost increases.

2. The Region enter into Strong Communities Rent Supplement Agreements to replace existing agreements with landlords and the Commissioner of Community Services and Housing be authorized to enter into these agreements subject to the prior review of Legal Services.

2. PURPOSE

The purpose of this report is to provide an update on the implementation of the Strong Communities Rent Supplement Program and to report to Committee and Council with a summary of Rent Supplement Program activity.

3. BACKGROUND

Rent supplement programs involve agreements for rental units primarily located in buildings owned by private sector landlords. The units, under agreements, are made available to eligible households from the social housing waiting list. The household pays rent-geared-to-income (RGI), and the Region pays the landlord the difference between the RGI amount and the regular market rent for the unit.

The rent supplement agreements specify the funding relationship and the obligations of the Region and the landlord.

Rent supplement programs were initiated by the Province and then devolved to the Region. There are two types of rent supplement programs: Commercial and Strong Communities.

3.1 Commercial Rent Supplement Program

The Commercial Rent Supplement program was established over twenty years ago and was transferred to the Region on January 1, 2001. At transfer, the Region received the existing allocation of 98 units under this program. The rent supplement payments to the landlords in this program are funded by the Region, as is mandated through the *Social Housing Reform Act, 2000* (SHRA).

3.2 Strong Communities Rent Supplement Program

In 1999, the Province established a new Rent Supplement Program as part of its homelessness response strategy. Under this program, municipalities entered into agreements with landlords and the Province provided funding to cover 100% of the cost of the RGI assistance for the approved number of units.

Provincial program funding was only guaranteed to 2005, after which time the Region would have become responsible for the on-going cost of assisting tenants already housed under the program. In April 2003, the Province announced that funding would be extended to 2023. However, the terms of the funding were not specified until March 2004, when the homelessness initiative was reintroduced as the Strong Communities Rent Supplement Program.

The Strong Communities program no longer guaranteed 100% funding for a prescribed number of units. Instead, municipalities were given approximate block funding allocations and required to submit implementation plans demonstrating full expenditure of the allocation by December 31, 2005. Based on these plans, the Province is establishing final approved block funding amounts, guaranteed to 2023. It is important to note that the block funding allocations are not indexed. Inflationary pressures must be managed by reducing the number of units funded or with the addition of Regional funds.

In order to participate in the Strong Communities program, the Region was required to enter into a Memorandum of Understanding (MOU) with the Province. The MOU was approved by Council on June 10, 2004 and executed by the Province in October, 2004.

As the Province was the funder under the old program, rent supplement agreements executed prior to the implementation of the MOU identify the Region as an agent of the Province. As a condition of the block funding, the MOU requires the Region to enter into new rent supplement agreements that do not include the Province as a party to the agreement.

3.2.1 Strong Communities Supportive Housing Program

The Province dedicated 20% of the total rent supplement funding to the Ministries of Health and Long Term Care and Community and Social Services. Those Ministries in turn assigned rent supplement allocations to agencies funded to provide the supports required to assist special needs tenants. The Service Manager, York Region, provides the administrative framework for these units and manages the program. Under this program, rent supplement units were assigned to a number of agencies serving clients in York

Region, including Independent Living for the Deaf/Blind, Community Living Newmarket/Aurora District, Yellow Brick House, Georgina Association for Community Living, Ontario March of Dimes, Reena, Canadian Mental Health Association, and York Support Services Network.

3.2.2 Strong Communities Implementation Plan

The Region's plan for implementing the Strong Communities program was approved by the Province in October, 2004. The plan calls for 400 units to be occupied by the first quarter of 2006. At that time, the Region will be entitled to the full provincial annual block funding allocation of $2,854,199. Until the plan is fully implemented, provincial funding will be reconciled to reflect actual program expenditures.

4. ANALYSIS AND OPTIONS

4.1 Program Status

4.1.1 Commercial Rent Supplement Program

The 98 eight units allocated to the Region under the Commercial Rent Supplement Program form part of the service level standard the Region is required to maintain under the SHRA. At present, 61 units are occupied. The balance will continue to be offered to private sector landlords as opportunities arise.

4.1.2 Strong Communities Rent Supplement Program

As a condition of the block funding allocation, the Region's take-up plan had to demonstrate that all units would be occupied by RGI households by 2006. The available units were predominantly allocated to private sector landlords already participating in the Rent Supplement Program. However, 60 units were reserved for future Council approved initiatives such as the Sutton Multi-Service Youth Centre. In order to ensure short-term flexibility to manage program costs, 60 units were also allocated to existing social housing providers. These additional allocations will be filled by RGI households in 2005.

The remaining private sector units will also be filled in 2005. Although the allocations have been established, the units will gradually be filled by RGI households as the landlords' rental units are vacated by private market tenants. When the units become vacant the landlord advises Regional staff and RGI applicants are referred to the landlord from the Centralized Waiting List (CWL).

All units funded under this program are to be occupied by the first quarter of 2006. Table 1 details the program status as of December 31, 2004.

Table 1
Strong Communities Program Status

Program	Occupied Units	Total Units
Regular Units	227	337
Supportive Housing Units	50	63
Total	**277**	**400**

5. FINANCIAL IMPLICATIONS

The SHRA sets out the number of RGI units that the Region must provide. The 98 units allocated under the Commercial Rent Supplement program are included in the Region's prescribed service level standard and as such are a provincially mandated cost. The costs are planned for in the Region's operating budget. The Region pays 100% of this cost, budgeted in 2004 at $689,829.

The Strong Communities Rent Supplement Program costs are fully funded up to the maximum provincial block funding allocation of $2,854,199. As the implementation plan does not call for full program take-up until the first quarter of 2006, this program has no impact on the 2005 Budget. However, the provincial funding is not indexed. Since rents increase over time, from 2006 onward the Region will either have to reduce the number of units funded under the program, or provide additional funds. Staff will closely monitor program costs and report to Committee annually as part of the budget cycle on program status and options for managing cost increases.

6. LOCAL MUNICIPAL IMPACT

The rent supplement programs enable the Region to provide much needed affordable housing to low income households. The flexible nature of this program allows the Region to target units to the most underserved applicants on the waiting list, and to high demand locations.

7. CONCLUSION

As reported to Committee and Council in the May 27, 2004 report on the Strong Communities Program, staff continues to work with the Province to resolve outstanding issues related to the need to index funding and to increase flexibility in the financial management of the program. If a successful outcome is not reached, it is anticipated that the Region will need to reduce the number of households served each year.

The rent supplement programs are an effective means of increasing the supply of affordable housing in the Region. In particular, the Strong Communities Rent Supplement Program enables the Region to secure more than $2.8 million provincial dollars annually to assist low income and special needs households. The rent supplement programs are vital to increasing the Region’s capacity to respond to the needs of the almost 6,000 singles, families and seniors waiting for affordable housing.

The Senior Management Group has reviewed this report.