7
RENT SUPPLEMENT PROGRAMS ACTIVITY REPORT FOR THE YEAR 2006

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, February 27, 2007, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATION

It is recommended that:
1. This report be received for information.

2. PURPOSE

The purpose of this report is to provide a summary of rent supplement program activity for the year 2006 in accordance with the Commissioner's obligation to report to Committee and Council annually with a summary of rent supplement program activity.

3. BACKGROUND

The Rent Supplement Program consists of agreements for rental units primarily located in buildings owned by private sector landlords. The units under agreement are made available to eligible households from the Centralized Waiting List (CWL). The household pays the rent-geared-to-income (RGI) and the Region pays the landlord the difference between the RGI amount and the market rent for the unit.

Currently there are two types of Rent Supplement Programs in the Region: Commercial Rent Supplement (CRS) and the Strong Communities Rent Supplement (SCRS). Up to 506 rent supplement units are delivered under these two programs. The breakdown of the unit count is as follows: 98 units under the CRS program and 408 units under the SCRS program. There are currently 26 landlords participating in the programs under 47 agreements.

3.1 Commercial Rent Supplement Program

The CRS program was established some 30 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 with its associated costs. The rent supplement payments to the landlords in this program are included in the service level standard the Region is required to fund in accordance with the *Social Housing Reform Act, 2000* (SHRA).

The rent supplement payments to the landlords in this program are fully funded by the Region as is mandated through the SHRA.

3.2 Strong Communities Rent Supplement Program

As part of the Province's homelessness response strategy, a new Rent Supplement Program named New Tomorrows was introduced in 1999 with guaranteed funding until 2005. In April 2003, the Province announced that funding in the program 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.

In order to participate in the SCRS 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.

The SCRS program prescribed non-indexed block funding of $2,854,199 per annum. An implementation plan was submitted to the Province to demonstrate the Region's capacity to fully expend the annual allocation. As the block funding is not indexed for inflation, costs must be managed by reducing the number of units funded or by adding regional funds.

3.2.1 Strong Communities Supportive Housing Program

The Province dedicated 20% of the total rent supplement block funding to the Ministry of Health and Long Term Care and to the Ministry of Community and Social Services. These Ministries have, in turn, assigned the rent supplement allocation to agencies funded to provide the supports required to assist special needs tenants. The Region provides the administrative framework for these units and manages the Program. Under this program 58 units were assigned to a number of agencies serving clients in York Region including Independent Living Residents for the Deaf/Blind in Ontario, 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 SCRS program was approved by the Province in October 2004. The plan called for 397 units to be occupied by the first quarter of 2006. Due to the revised completion date of Blue Willow Terrace, in the City of Vaughan, the Region sought and obtained Ministry approval to extend the implementation plan to December 31, 2006. The Region's SCRS program funding will be reconciled to reflect actual program expenditures on a three-year cycle starting with the year 2006.

4. ANALYSIS AND OPTIONS

4.1 Program Status

4.1.1 Commercial Rent Supplement Program

Of the 98 units allocated to the Region under the Commercial Rent Supplement Program 51 units are occupied, the remaining 47 units are reserved for future developments. Thirty units are reserved for Tom Taylor Place in the Town of Newmarket which is scheduled for completion in 2008. The remaining units will be offered to landlords as opportunities arise.

4.1.2 Strong Communities Rent Supplement Program

As a condition of the block funding allocation, the Region's implementation plan had to demonstrate that all units would be occupied by RGI households by 2006.

Table 1 details program status as of December 31, 2006.

Table 1
Strong Communities Program Status

Program	Occupied Units	Allocated Units Not Yet Occupied	Total Units
Regular	305	46	351
Supportive Housing Units	57	0	57
Total	**362**	**46**	**408**

Available units were predominately allocated to private sector landlords already participating in the Rent Supplement Program. However, 64 units were reserved for future Council approved initiatives such as the Sutton Multi Service Youth Centre (10 units) in the Town of Georgina which opened for occupancy in March 2006, Blue Willow Terrace (42 units) in the City of Vaughan which opened for occupancy in October 2006 and a Homelessness Prevention Pilot Program (HPPP) delivered through the Salvation Army (12 units) which started running in September 2006. Under the HPPP, applicants at risk of homelessness due to temporary financial hardship will receive up to one year of RGI assistance in their current rental unit.

All of the SCRS units have been committed to community landlords through signed agreements. Under the terms of the agreements, units are not offered to RGI applicants until the landlord has an approved vacancy. With the Region's low vacancy rate of 1.6% in 2005 and 2006, participating landlords are experiencing lower unit turnover, therefore, limiting the rent-up of committed units with RGI households.

The current number of units under agreement totals 399 of which most are occupied. The remaining units will be occupied as vacancies occur. In an effort to manage the Program more effectively, three agreements for a total of nine units were terminated with private sector landlords due to difficulties in renting the units because of building locations and poor state of repair.

In March 2006, a new agreement was executed for 10 units with a local housing provider in the Town of Aurora. This agreement addressed the need for RGI housing in the area in addition to providing some financial assistance to the housing provider.

5. FINANCIAL IMPLICATIONS

The SHRA sets out the number of units that the Region must provide. The 98 units allocated to the CRS 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 budgeted cost of this program for 2006 was $634,000.

The SCRS program costs are fully funded up to the maximum provincial block funding of $2,854,199. As provincial funding is not indexed and typically rents increase faster than tenants' income, programs costs are closely monitored. In 2005, the Program achieved total unit occupancy of 305 units with a cost of $1,993,747 mainly due to holding of units for future developments and low vacancy rates. Unspent funding totalled $509,255 in 2005.

In December 2006, the Region submitted a business case to the Province requesting to retain 100% of 2005 unspent funding. The Province approved $285,420 of 2005 unspent funding to be retained by the Region which represented 56% of the 2005 unspent dollars. Furthermore, the Region has been placed in a three-year reconciliation cycle for the SCRS program. As provincial funding remains non-indexed it is anticipated that beginning in 2008, the Region will either have to reduce the number of units funded under this program or provide additional funds. Staff will continue to monitor 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 the programs allows the Region to target units to the most underserved of the almost 6,000 applicants on the CWL in high demand locations. The programs have also proven vital in the financial structures of affordable housing developments within the Region.

7. CONCLUSION

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 of provincial funding annually to assist low income and special needs households in the Region.

For more information on this report contact Sylvia Patterson, Director, Housing Services Branch in the Community Services and Housing Department.

The Senior Management Group has reviewed this report.