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RENT SUPPLEMENT PROGRAM ACTIVITY AND EXTENSION OF PROVINCIAL FUNDING TO 2023

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, August 22, 2003, from the Commissioner of Community Services and Housing:

1. RECOMMENDATIONS

It is recommended that:

1. The following report be received for information by Committee and Council.

2. PURPOSE

This report will inform Committee and Council of rent supplement program activity for the period from November 1, 2002 to June 30, 2003. The report will advise Committee and Council of the Province's decision to extend their funding commitment for Homelessness (now referred to as New Tomorrow) Rent Supplement Program from 2005 to 2023.

3. BACKGROUND

Rent supplement programs in this report involve agreements for rental apartments within private sector buildings. The rental units, under agreement, are made available to eligible households from the social housing waiting list. The households pay a rent-geared-to-income (RGI), while the Region pays the difference between what the household pays and the market rent for the apartment.

The agreements with private and non-profit landlords set out the framework of the funding relationship and the obligations of the Region and the landlord.

The Province transferred three types of rent supplement, which are described below.

3.1 Commercial Rent Supplement

This program was established by the Province over twenty years ago and was transferred on January 1, 2001 to the Region. At transfer, the Region received the existing allocation of 98 units under this program along with the associated budget. Of the 98 units, 65 units are currently being used and 33 units are available for allocation.

In 1997, the Province required the termination of many agreements within this program as a cost saving strategy. Funding would continue for the sitting tenants; however as tenants vacated, the unit would be returned to the landlord for private market rental. Five agreements have been terminated representing a total of 55 units. Of those 55 units, 22 continue to have sitting tenants subsidized and 33 units have returned to private rental.

The rent supplement payments to the landlords in this program are fully funded by the Region, as is mandated through the *Social Housing Reform Act, 2000.*

3.2 Homelessness Rent Supplement - Regular

The Province established this program in 1999 and provided a 260-unit allocation to the former York Regional Housing Authority. The allocation could be used to enter into rent supplement agreements with private landlords.

On November 1, 2001 the Province transferred administration of the program to the Region. At transfer, eight agreements existed covering 80 units. Of the 80 units, 57 units were occupied by subsidized households and the balance of 23 units were waiting for existing market rent tenants to vacate before they could be occupied by a household requiring subsidy.

The Province provided a further allocation of 95 units under this program in September 2002, bringing the total allocation to 355 units.

3.3 Homelessness Rent Supplement - Supportive

Also in 1999, the Province announced a rent supplement program for the purpose of assisting only households requiring support services e.g. victims of violence. The Province provided an allocation to the Ministry of Health and Long-Term Care and the Ministry of Community, Family and Children's Services. These ministries were to work with the former local housing authority to establish agreements with landlords.

The Region's role in this program is to work with landlords and the agencies, establish agreements between the landlord and the Region and refer eligible agency clients for vacancies.

At program transfer, there were five agreements covering nine units. Subsidized households requiring support services occupied all of the units.

The Region, through the Ministry, does not have an advanced allocation for this program. Units are allocated as they are committed to a landlord.

3.4 Provincial Funding Extension - Homelessness Rent Supplement Programs

The Province currently fully funds the Region for the landlord payments in the Homelessness rent supplement programs. Originally, the Province committed to providing funding only until 2005.

However, in April 2003 the Province announced it was extending its funding commitment to 2023. The Region currently receives $85,000 per month from the Province or approximately $600 per unit per month.

4. ANALYSIS AND OPTIONS

4.1 Program Activity Summary

Since the November 1, 2002 program activity report an additional ten units were committed under the Rent Supplement Program. There remain 199 units to be allocated. An additional nineteen of the committed units were rented to rent-geared-to-income applicants.

At the time of this report several additional agreements are under negotiation.

Table 1
2003 Program Activity

Date	Total Units	Committed	Occupied	Unallocated
November 1, 2002	*490	281	181	209
June 30, 2003	490	291	200	199
Change	**0**	**10**	**19**	**10**

* Adjusted to include units under Supportive Homelessness Program.

Table 2
Rent Supplement Agreement Activity since November 30, 2002

Landlords	Units
Added Beaux Properties International Inc.	6
Added Richpark Investments Limited	6
Total Added	**12**
Total Lost (terminated agreements)	**(2)**
Net Change	**10**

4.2 Program Plans for 2003

The Region continues to wait for the Ministry of Municipal Affairs and Housing's (MMAH) program guidelines for service managers to allow greater flexibility for allocating rent supplement.

The remainder of the 199 unit allocation will be used within future affordable housing developments as part of the Federal Community Rental Housing Program and through actively promoting the program throughout the Region.

5. FINANCIAL IMPLICATIONS

Costs for the current commercial rent supplement allocations (98 units) are funded 100% by the Region and the funding is contained in the proposed 2003 Budget. No new costs to the Region are expected.

There are no future financial implications associated with committing units under the Homelessness Rent Supplement Programs (355 units) because the Province has extended their commitment for funding until 2023.

The Region receives $13/unit/month administration fee from the Province for the Homelessness Rent Supplement Initiative. The 2003 forecasted revenue for the Region from this fee payment is approximately $44,000.

6. LOCAL MUNICIPAL IMPACT

There is no direct impact on local municipalities. However, residents of the municipalities benefit from the additional affordable housing created by rent supplement programs.

7. CONCLUSION

The Region will continue to pursue opportunities to commit the remaining units under the various rent supplement programs. The additional units will assist in serving households unable to afford the market rental rates and assist the Region in meeting its legislated service level standard.

The Senior Management Group has reviewed this report.