TO: Chair and Members
   Emergency & Community Services Committee

WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: September 22, 2010

SUBJECT/REPORT NO: Short Term Rent Supplement Program (CS10089) (City Wide)

SUBMITTED BY: Joe-Anne Priel
       General Manager
       Community Services Department

PREPARED BY: Robert McKnight (905) 546-2424 ext. 3728
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SIGNATURE:

RECOMMENDATION

(a) That the General Manager, Community Services Department, or her designate, be authorized and directed to deliver and administer the Short Term Rent Supplement Program.

(b) That the General Manager, Community Services Department, or her designate, be authorized and directed to execute all ancillary agreements as may be required to deliver the Short Term Rent Supplement Program, in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The Ministry of Municipal Affairs and Housing (MMAH) has recently informed Municipal Housing Service Managers across the province that new funds will be available for short term rent supplements for singles and families in need. The introduction of additional rent supplements is positive news for the many people who are awaiting social housing and rent supplements in Hamilton. As of July 31, 2010, there are 5,337 households on the Social Housing Waiting List. This is a 28% increase from January 2009. Rent supplements and housing allowances are important tools to help address the continued
need for affordable housing in our community.

The Short Term Rent Supplement Program (STRSP) funds are time limited, beginning in 2010-2011 and ending in 2012-2013. Payments to tenants will be available in January 2011 with the ability to apply the funding retroactively to July 2010. The program is considered short term, as the supplement is available for a three-year period rather than for a five-year period as in the past.

There will be two forms of delivery for STRSP – shared and direct delivery. Under the shared delivery option, the program will be delivered by the Ministry of Revenue (MOR), with municipal input at the initial stages only. For shared delivery, the role of the municipality will be restricted to:

- Identify target client groups for STRSP;
- Determine the monthly subsidy amount; and,
- Distribution of applications.

Hamilton will utilize the existing Social Housing Wait List to identify eligible clients for the shared delivery portion of the STRSP.

The STRSP supplement amount will be $200 per month to be consistent with the other Rent Supplement and Housing Allowance Programs provided by the City. The STRSP supplements are not tied to units, are fully portable and are not adjusted based on income. The MOR will pay the supplement directly to eligible renter households.

The City of Hamilton may also choose the direct delivery of STRSP, which will be available through an approved business case, and the signing of a Transfer Payment Agreement with the Province. Direct delivery will provide the opportunity to work directly with clients and landlords. The direct delivery option will offer eligible clients a monthly STRSP supplement to offset rent at their present rental unit. This model of delivery is effective when clients require case management supports such as the Hostels to Homes Program or victims of abuse who are leaving shelters.

When full details concerning program delivery are provided by the MMAH, City staff will determine the preferable delivery method for Hamilton or if it is possible to deliver the program both ways.

The MMAH has requested that municipalities refrain from communicating STRSP information to the public to avoid raising expectations that there may be an open application process. This is especially important given the time-limited nature of the program and limited funding. The Province has stated that municipalities must not make public announcements regarding the program without the permission of the MMAH.

**Alternatives for Consideration - Not Applicable**
FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:
$50 million (including all administration fees) in total will be allocated for STRSP province-wide over the three-year timeframe. The MMAH will provide the City of Hamilton with a STRSP notional allocation in September 2010. It is estimated that Hamilton will receive $1,875,000 using a calculation, based on past programs of a similar nature.

The MMAH will provide the following administration fees:

- Provincial Delivery - $5,000 over the life of the program plus 1% of the City's provincial delivery program funding.

- Municipal Delivery - $15.60 per household/month for the first 50 rental households and $13.00 per household/month for each household above 50.

Staffing:
After the allocation is received and the delivery method chosen, it will be determined whether or not additional staff will be required to deliver the program. The administration fees would be used to cover additional staffing costs.

Legal:
Legal Services will review the agreements received from the MMAH.

HISTORICAL BACKGROUND

In April 2006, through the Canada Ontario Affordable Housing Program (COAHP) (Phase 1), Hamilton received $3,000,000 to supply Housing Allowances of $200 per month to 250 households over five years. In October 2006 (Phase 2), City Council recommended an additional $1,290,000 be added to the program from the City’s Future Fund and from the Developing Opportunities for Ontario Renters (DOORS) Program funded by MMAH. This created an additional 186 Housing Allowances for a total of 436 households in Hamilton.

Appendix A – Overview of Housing Subsidies in Hamilton outlines details concerning the various rent subsidies offered in Hamilton.

POLICY IMPLICATIONS
Local policy for STRSP is consistent with the other Rent Supplement and Housing Allowance programs currently delivered by Housing and Homelessness Division.

### RELEVANT CONSULTATION

There was no consultation in the writing of this report.

### ANALYSIS / RATIONALE FOR RECOMMENDATION

As of July 31, 2010 there are 5,337 households on the Social Housing Waiting List. This is a 28% increase from January 2009. Therefore, there is strong need in the community to take advantage of additional provincial rent supplement funding.

Hamilton has one of the highest poverty rates in Ontario at 18.6%. According to the 2006 Census, 27,470 renter households pay more than 30% of their income on rent. Of great concern is that one in five renter households or 12,650 pay more than 50% of their income on rent, placing them at serious risk of homelessness. Programs such as STRSP help individuals and families to remain housed.

STRSP is an example of an affordable housing program with high positive impact. It promotes the use of existing stock to increase access to affordable housing. Supplementing rent allows people with low incomes, people with disabilities and people living in difficult circumstances, such as women who are victims of violence to live in housing that they otherwise could not afford.

When the Housing Allowance Program and STRSP ends in 2013, tenancy does not end for participants but the supplement does. Consequently, tenants can stay in their units as long as they are able to pay full market rent without the allowance. Inevitably, this will put those who cannot pay full rent at risk of homelessness.

### ALTERNATIVES FOR CONSIDERATION

Not applicable.

### CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
Intergovernmental Relationships

- Acquire greater share of Provincial and Federal grants (including those that meet specific needs).

Social Development

- Everyone has a home they can afford that is well maintained and safe.

APPENDICES / SCHEDULES

Appendix A to Report CS10089 - Overview of Housing Subsidies in Hamilton
Overview of Housing Subsidies in Hamilton

<table>
<thead>
<tr>
<th>Housing Subsidy</th>
<th>Amount of Subsidy to Tenants</th>
<th>Length of Subsidy (ending)</th>
<th>Non Profit/Private Landlord</th>
<th>Annualized Amount (2010)</th>
<th>Source of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRSP</td>
<td>$200/month</td>
<td>3 years (11/2013)</td>
<td>Private</td>
<td>Estimated $1.9 m</td>
<td>MMAH</td>
</tr>
<tr>
<td>Housing Allowance (Phase 1)</td>
<td>$200/month</td>
<td>5 years (3/2013)</td>
<td>Private</td>
<td>$600,000</td>
<td>COAHP</td>
</tr>
<tr>
<td>Housing Allowance (Phase 2)</td>
<td>$200/month</td>
<td>5 years (10/2010)</td>
<td>Private</td>
<td>$456,000</td>
<td>Future Fund DOORS</td>
</tr>
<tr>
<td>Rent Supplement</td>
<td>Rent Geared to Income</td>
<td>No time limit</td>
<td>Private/Non-Profit</td>
<td>$576,037</td>
<td>MMAH City</td>
</tr>
<tr>
<td>Social Housing</td>
<td>Rent Geared to Income</td>
<td>No time Limit</td>
<td>Non-Profit</td>
<td>$57.8 m</td>
<td>City Federal</td>
</tr>
</tbody>
</table>

STRSP – Short Term Rent Subsidy Program
MMAH – Ministry of Municipal Affairs and Housing
COAP – Canada Ontario Affordable Housing Program