

For Information Only

Ministry of Housing - Portable Housing Benefit

Presented To: Community Services Committee

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Resolution

For Information Only.

Relationship to the Strategic Plan / Health Impact Assessment

This report supports the Strategic Plan adopted by the City of Greater Sudbury as it aligns with Quality of Life and Place priority with regards to developing an affordable housing strategy, targeted to seniors and those with low incomes, including policy review, removal of barriers and consideration of incentives.

This report will have a positive impact on the Social Determinants of Health in the area of Civic Engagement/Social Capital as the proposed portable housing benefit will assist the vulnerable and disadvantaged members of the community.

Report Summary

This report discusses an alternate method of providing financial assistance to low income households who are eligible for Rent-Geared-to-Income (RGI) subsidies.

Financial Implications

The City of Greater Sudbury currently funds 90% of the Commercial Rent Supplement Budget and the Ministry of Housing funds 10%. The Commercial Rent Supplement Budget is administered by the Greater Sudbury Housing Corporation. Any increase in the Commercial Rent Supplement Program required to participate in the portable housing benefit would be funded 100% by the municipal tax levy.

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Health Impact Review

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Financial Implications

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Background

Wait lists for social housing are managed by the City Of Greater Sudbury Housing Services office, Central Housing Registry. Currently, the highest demand is for 1 bedroom senior and adult units followed by 2 bedroom units. Demand for larger social housing units with 3, 4 and 5 bedrooms is very low. Currently, the social housing stock does not meet the demographic need reflected from the wait list now or as projected into the future. There is currently a significant mismatch between available social housing stock and the wait list demand.

As part of the Ministry of Housing Long Term Affordable Housing Strategy, one of the themes identified was to develop an equitable, portable system of financial assistance to address the lengthy wait times.

The portable housing benefit will provide a more flexible and modern form of housing assistance. The portable housing benefit will offer:

- **More choice:** A portable benefit gives people more flexibility and choices about where to live.
- **More flexibility:** Once developed, the portable housing benefit would allow Ontario's municipalities to provide more housing choices to more tenants and get them housed faster.
- **More consistency and certainty:** A portable housing benefit would help establish a simpler, more consistent form of housing benefit right across Ontario, while ensuring local needs are addressed.

Current social housing subsidies are being provided through rent-geared-to-income (RGI), commercial rent supplement, and housing allowance. Approximately 95% of social housing subsidies are attached to the unit and not the person. The IAH-E Housing Allowance is a portable housing allowance that assists households with their market rents until such time as they gain access to subsidized housing. The Housing Allowance targets victims of domestic violence, homelessness and individuals who are on Ontario Disability Support Program (ODSP). The IAH-E funding is not permanent funding and elapses in 2020. Once a household moves into social housing, the housing allowance is transferred to the next qualified household on the waitlist. The portable housing benefit the Ministry of Housing is currently investigating would not necessarily replace any of the above mentioned subsidies but could be in addition to those already being offered.

The portable housing benefit would create the foundation for an equitable, portable system of financial assistance that encourages social and economic

inclusion. A client centred approach allows the benefit to move with the household, giving individuals freedom to choose where they want to live. It also provides households with an incentive to earn income by moving away from potential monthly changes in rent to an annual income test to calculate benefits using income tax information.

The calculation of subsidy is based on a formula developed by the Ministry of Housing utilizing Canada Mortgage and Housing Corporation's (CMHC's) Average Market Rent and line 236 of Income Tax form (adjusted family net income). If the household accepted the portable housing benefit, their name could be removed from the social housing waitlist. The calculation would be similar for households accessing Ontario Works or ODSP.

With the subsidy being attached to the person instead of the unit, additional households with mixed incomes would be scattered across the community instead of in low income pockets within the City of Greater Sudbury.

The portable housing benefit enables households to retain in year increases in income, and encourages households to live in areas that are best suited to their household needs (education, child care, employment, community, etc.).

Social housing providers whose operating agreements are coming to an end or federal subsidies that are due to expire could work with Service Managers to have former subsidized households supported through a portable housing benefit. This would allow existing subsidized households the option to remain in their units without paying market rent.

The same selection process would occur that is currently in place. A household would be selected from the waitlist using the selection system rules of the Housing Services Act, 2011, including provincial and local priority rules. The difference would be that the household could remain where they are currently living or have the opportunity to move into another market rent unit of their choice in the community that better suits their needs.

To date, the Ministry of Housing has indicated that there will be no provincial funding attached to the portable housing benefit. 100% of the funds will need to be allocated through the City of Greater Sudbury's municipal budget.

Presently the Province follows the annual average market rents determined by Canada Mortgage and Housing Corporation. Greater Sudbury's average market rents align with other Northern ON municipalities (i.e. 1 bedroom average market rent is \$776). Under the existing municipal commercial rent supplement program which is tied to private landlord units within the community, Housing Services currently takes rent increases into consideration in preparation of the annual

operating budget. If Council were to increase the service levels in consideration of the portable housing benefit, a municipal budget increase of approximately \$400/household/month would be required. There are approximately 1341 households waiting for a 1 bedroom unit. As an example - to offer the portable housing benefit to 100 new households to remove them from the wait list, the cost to the municipality would be approximately \$480,000 per year. Council would also have to determine if a household accepted a portable housing benefit, would their name remain on or come off the wait list. This question was posed to the Ministry of Housing in order to ensure it was considered during the deliberations regarding the portable housing benefit.

In order for Housing Services to add the portable housing benefit as an option for subsidized housing, a decision would need to be made to determine whether an increase in the municipal budget would occur to accommodate the new funding model, or a decrease in the existing number of commercial rent supplement units could occur, and the funding would be reallocated to the portable housing benefit. This approach would have no impact on the wait list as the service level targets would remain the same.

Next Steps

The Ministry of Housing is planning on posting the proposed revisions to regulations on the Provincial Regulatory Registry for public comment, and targeted consultations will be taking place with Service Managers and other key stakeholders across the Province.

Subject to approval, enabling regulations will enter into force. The Ministry of Housing intends on working collaboratively with Service Managers to ensure all information regarding the portable housing benefit is shared.

If the Ministry of Housing moves forward with regulatory changes that include the portable housing benefit, further analysis will be completed, and a Manager's Report will be prepared providing recommendations and request for decision. A business case could also be produced for 2018 budget deliberations if the regulations come into effect within the next month.

References

Ministry of Housing website, <http://www.mah.gov.on.ca/Page13791.aspx>