



	REPORT No.: 2020-07
MEETING DATE: FEBRUARY 20, 2020	DATE PREPARED: JANUARY 20, 2020
SUBJECT: CANADA-ONTARIO HOUSING BENEFIT PROGRAM	

RECOMMENDATION

For information only.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with information on the new Canada-Ontario Housing Benefit Program.

BACKGROUND

The Government of Ontario has finalized negotiations with the federal government and has received the necessary funding and program design approvals to proceed with the implementation of a new Canada-Ontario Housing Benefit Program. It is expected that the program will launch in April 2020, with payments to households beginning as early as that month.

As one of the key initiatives presented in the National Housing Strategy, the new Canada-Ontario Housing Benefit aims to give more options to people who are looking for housing that will meet their needs and their budgets.

The program will offer a portable housing benefit where funding is provided directly to low-income households that are on, or eligible to be on, a social housing waitlist. The benefit will be calculated using 80% of the community's Average Market Rent (AMR), as determined by the Canada Mortgage and Housing Corporation analysis, and 30% of the household's Adjusted Family Net Income (AFNI). Individuals currently receiving social assistance benefits may be eligible, however they will have a separate benefit calculation to avoid reducing their current social assistance entitlements.

The Canada-Ontario Housing Benefit will be provincially delivered. The Ministry of Finance will determine eligibility, calculate the benefit, provide payments directly to households and manage the annual renewal process. Service Managers will assist by identifying and selecting households to apply for the program and assisting households with the application process. Service Managers may claim an administration cost

reimbursement at the rate of \$250 per approved household, up to 5 per cent of the annual planning allocation.

For 2020/21, TBDSSAB's planning allocation for this program is \$308,968, and for 2021/22 it is \$404,840.

COMMENTS

This program is aimed at reducing the number of applicants on the social housing waitlist, by offering a direct-pay benefit to assist applicants in securing housing. Applicants accepting the Canada-Ontario Housing Benefit will consent to being removed from the social housing waitlist. The program may also benefit households not currently seeking community housing, but who are eligible to do so.

An issue in the TBDSSAB service area is that the benefit calculation uses a factor of 80% of AMR, less 30% of the AFNI. The 80% rent factor will result in a monthly benefit that may be too low for a household to secure market housing, based on TBDSSAB's experience with the Special Priority Policy (SPP) pilot program offered in 2016. In participating in the SPP pilot initiative, it was determined that calculating a portable benefit for the applicant based on 80% of AMR resulted in many applicants rejecting the benefit as the amount provided was not sufficient to meet the costs to secure housing without additional investment from the household.

As an example, the current AMR for a Thunder Bay 1-bedroom apartment is \$831. At 80%, this would result in a benefit calculation amount of \$665, less 30% of the household's AFNI. For a household earning \$1,000/month (the average of the largest segment of current community housing applicants), the calculation would be:

$$\$665 - ((\$12,000 \times 30\%) / 12 \text{ months}) = \$665 - \$300 = \$365$$

The monthly Canada-Ontario Housing Benefit for this household would be \$365, with the remaining amount of the rent required by the household. In order to have the household paying 30% of their income towards rent, they would have to secure housing in the market at \$665/month, an unreasonably low rental cost for this market area, resulting in very limited options.

However, if the same household subsidy was to be calculated using the AMR, the result would be:

$$\$831 - ((\$12,000 \times 30\%) / 12 \text{ months}) = \$831 - \$300 = \$531$$

In order to have the household paying 30% of their income towards rent, they would need to secure housing in the market at \$831/month, a reasonable rent amount offering greater access to available units.

In comparison, the typical 1-bedroom rent for a TBDSSAB-owned unit is \$816. Though this is lower than the AMR, it shows that the market housing stock available below AMR is limited, as Community Housing is represented in this share of the market. The calculation of RGI benefit for this same household based on placement in a TBDSSAB Community Housing unit would be:

$$\$816 - ((\$12,000 \times 30\%) / 12 \text{ months}) = \$816 - \$300 = \$516$$

From these comparisons, it is clear that the new Canada-Ontario Housing Benefit based on 80% AMR would result in \$166/month less support to a household seeking a market unit than if the calculation was based on full AMR. The number of housing units available 80% of AMR would be limited. There is little incentive in this market for housing applicants to accept the Canada-Ontario Housing benefit based on these findings.

In larger markets, where the spread of rents is much greater between market low and high, the application of 80% of AMR would still provide for reasonable access to affordable housing in the market. In communities where the spread between low and high rents is small, the impact is that the benefit calculation results in an amount payable that may be too low to secure housing and would not encourage people to exit the waitlist for community housing.

With the experience of participating in the provincial SPP pilot, offering a portable benefit based on 80% AMR, it was expected that very few applicants would accept the benefit at this level. As there was flexibility in the pilot, TBDSSAB enrolled the applicants in a benefit program based on 100% AMR. When the province sought to integrate these recipients into their provincial program, sixteen of the applicants accepted the provincial program benefit, and sixteen chose to stay with TBDSSAB under a portable housing benefit. The sixteen participants that went with the provincial program later returned to apply for RGI housing, or brought affordability concerns forward. The local women's shelters also had concerns about the program calculations. Housing affordability and the lack of available units at the low rent were the primary issues.

During the recent Rural Ontario Municipal Association (ROMA) Conference, CAO William Bradica had an opportunity to discuss the new Canada-Ontario Housing Benefit with the Minister of Municipal Affairs and Housing, the Hon. Steve Clark. Minister Clark suggested that TBDSSAB provide the Minister's office with further detail and recommendations on the program.

FINANCIAL IMPLICATIONS

As this is a provincially funded program, there would be no financial impact on TBDSSAB, except for the \$250/case administration fee that would be received.



CONCLUSION

It is concluded that new Canada-Ontario Housing Benefit Program should be promoted broadly across the service area to current housing applicants and those who may be

eligible. It is further concluded that Administration prepare a letter for the Minister of Municipal Affairs and Housing, under the Chair’s signature, in response to his request for information following a discussion with CAO William Bradica.

REFERENCE MATERIALS ATTACHED

Attachment #1 Letter dated December 20, 2019 from the Minister of Municipal Affairs and Housing, addressed to the Board Chair

PREPARED BY:	Crystal Simeoni, Manager, Housing Programs Aaron Park, Supervisor, Research and Social Policy The District of Thunder Bay Social Services Administration Board
APPROVED / SIGNATURE:	 Ken Ranta, Director, Integrated Social Services Division The District of Thunder Bay Social Services Administration Board
SUBMITTED / SIGNATURE:	 William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board

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December 20, 2019

Ms. Lucy Kloosterhuis
Board Chair
Thunder Bay District Social Services Administration Board
231 May Street South
Thunder Bay ON P7E 1B5

Dear Board Chair Kloosterhuis:

Yesterday, Minister Hussen and I announced details about the exciting work our governments have been doing to launch the upcoming **Canada-Ontario Housing Benefit** program under the National Housing Strategy.

This highly anticipated program will provide a portable housing benefit directly to thousands of Ontario households. We expect over 5000 households will receive critical housing assistance in the first year of the program, which includes about 1500 households transitioning from Ontario's Portable Housing Benefit – Special Priority Policy program for survivors of domestic violence and human trafficking.

By 2027-28, we expect over 40,000 households will be assisted, with a total program spend of up to \$1.46 billion split evenly between the provincial and federal governments.

Our government for the people understands the importance of housing that is affordable, adequate and accessible, and that meets the needs of Ontario's diverse communities and populations. Despite the significant fiscal challenges that our government continues to face, we have committed to supporting critical housing investments and to leveraging federal funding through new provincial investments.

The Canada-Ontario Housing Benefit

I am now pleased to provide more information on the Canada-Ontario Housing Benefit, which will begin in April 2020.

As you may know, our government committed to co-design, cost-match and deliver this program. The Province has since finalized negotiations with the federal government and has received the necessary funding and program design approvals to proceed with implementation. My Ministry is now working hard to ensure the program will launch in April 2020, with payments to households beginning as early as that month.

As communicated last April, all households in the province's Portable Housing Benefit – Special Priority Policy program will be supported through the larger Canada-Ontario Housing Benefit. Our Ministry will provide these households with a seamless transition through the annual renewal process.

To maximize our existing investments and processes set up for similar programs and to ensure portability across the province, the Canada-Ontario Housing Benefit will be provincially-delivered. The Ministry of Finance will determine eligibility, calculate the benefit, provide payments directly to households and manage the annual renewal process. Portability provides recipients the freedom to choose where to live and make the housing choices that are best for them, whether in the private market or in community housing.

Other key program design details include:

- Assistance will be provided to households that are on, or eligible to be on, a social housing waiting list.
- Assistance will be prioritized to the following vulnerable household types: survivors of domestic violence and human trafficking, persons experiencing or at-risk of homelessness, Indigenous persons, seniors and people with disabilities.
- Priority will also be given to households that will no longer receive assistance as a result of expiring social housing operating agreements/mortgages and/or federal-provincial housing programs.
- Benefit calculation will be based on the difference between 80 per cent of average market rent and 30 per cent of monthly income (consistent with the benefit calculation for Ontario's Portable Housing Benefit Framework and the Portable Housing Benefit – Special Priority Policy program).
- Social assistance recipients will have a separate maximum benefit calculation to avoid a reduction in social assistance entitlements.
- Households may receive first and last month's rent assistance, if needed.
- Monthly benefit amounts may be adjusted in-year under select circumstances (e.g., change in household composition, decrease of 20 per cent or more in household income).

As the organizations that deliver most housing and homelessness prevention programs, Service Managers will have a vital role to play at the local level. This includes identifying and selecting households to apply for the program and assisting households with the application process.

The program will provide up to the following amounts to assist households approved in the Thunder Bay District Social Services Administration Board's service area for the first two fiscal years:

- 2020-21: **\$308,968**
- 2021-22: **\$404,840**

Please note that your annual planning allocation will be the incremental funding available for new households approved in your service area each fiscal year (i.e., \$308,968 in 2020-21, \$95,872 in 2021-22). Funding for existing households who were

approved from your service area in previous fiscal years and who remain eligible for payments will be administered by the province (i.e., \$308,968 in 2021-22).

These planning allocations were determined using the same funding methodology used in the recently launched Ontario Priorities Housing Initiative, which ensures appropriate geographic distribution of funding.

To help offset administration costs, you may claim administration cost reimbursement at the rate of \$250 per approved household, up to 5 per cent of your annual planning allocation.

My Ministry will provide program dollars to the Ministry of Finance for payments to households. Service Managers may claim administration costs and amounts paid for first and last month's rent assistance on a quarterly basis.

Next Steps

Additional details on the Canada-Ontario Housing Benefit, including program guidelines and application forms, will be shared with your staff in the new year. Should you have any immediate questions, please contact Ravi Bhusia, Manager, Program Development & Analysis Unit at 416-585-6526 or Ravi.Bhusia@ontario.ca.

I am pleased that our government is able to continue to support the important work that you do to improve housing outcomes in your community. I look forward to continuing our exciting work together as we launch the final shared investment under the National Housing Strategy – the Canada-Ontario Housing Benefit.

Yours truly,



The Honourable Steve Clark
Minister of Municipal Affairs and Housing

- c. Mr. William Bradica, Chief Administrative Officer, Thunder Bay District Social Services Administration Board
Mr. Ken Ranta, Director of Housing Services, Thunder Bay District Social Services Administration Board