



City of  
**Peterborough**

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**To:** **Members of the Committee of the Whole**

**From:** **Ken Doherty, Director of Community Services**

**Meeting Date:** **March 29, 2016**

**Subject:** **Report CSSS16-002**  
**Budget Update related to Housing Stability and Rent Supplements**

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## **Purpose**

A report on recommendations and implications of providing additional funds to the Housing Stability Fund and the Municipal Rent Supplement program.

## **Recommendations**

That Council approve the recommendations outlined in Report CSSS16-002 dated March 29, 2016, of the Director of Community Services, as follows:

- a) That \$50,000 be drawn from the Social Services General Assistance Reserve and that the Municipal Rent Supplement Program be increased by this amount in 2016 with the understanding that at least \$100,000 will be committed to this as an ongoing expense beginning in 2017; and
- b) That the Manager of the Housing Division be given the authority to sign any new or amend any existing service agreements required to implement Recommendation a).

## **Budget and Financial Implications**

The one time draw of reserve proposed in recommendation a) would leave the Social Services General Assistance reserve balance at approximately \$2.2 million. This constitutes a pre-commitment of the 2017 budget.

There are also potential budget implications to the County in that a similar reinvestment of some portion of upload savings would be required to ensure equitable access to services and supports. These implications will be discussed with County staff and would be addressed through the 2017 budget approval process.

## **Background**

Council at its meeting of December 7, 2015 requested that a Staff report be presented in the first quarter of 2016 outlining the implications of providing additional funds as follows:

- a) An additional allocation of \$50,000 to the Housing Stability Program as a one time draw funded from the General Assistance Reserve, and
- b) An additional allocation of \$50,000 to the Rent Supplement Program funded from the General Assistance Reserve.

This report is in response to the above recommendation. The Housing Division and the Social Services Division collaborate on the implementation of various aspects of the 10 Year Housing and Homelessness Plan. The Housing Division Manager was consulted in the development of this report. The recommendations in this report are consistent with a general direction articulated in the Plan that where possible, future investments support a shift from emergency to preventative or longer term solutions.

## **Municipal Rent Supplement Program**

Rent supplements are an effective way to address issues of affordability, create stability for low-income renters and prevent homelessness as was identified in the 10 Year Housing and Homelessness Plan. Commitment 6 of the Plan stated that the City would look for funding opportunities to expand the number of rent supplements. The City as Service Manager continues to advocate for the provincial and federal government to participate to a greater extend in this type of direct assistance.

Council approved through Report PLHD14-002 a Municipal Rent Supplement Program of \$200,000 that was funded through a combination of Provincial and Municipal revenue. By 2015, 95 low-income households were signed up for the new Municipal Rent Supplement program, and these households continue to benefit from a small portion of their rent being paid directly to their landlord. Other provincially funded rent

supplement programs administered by the City as Service Manager are time-limited with funding due to drop off as early as 2018.

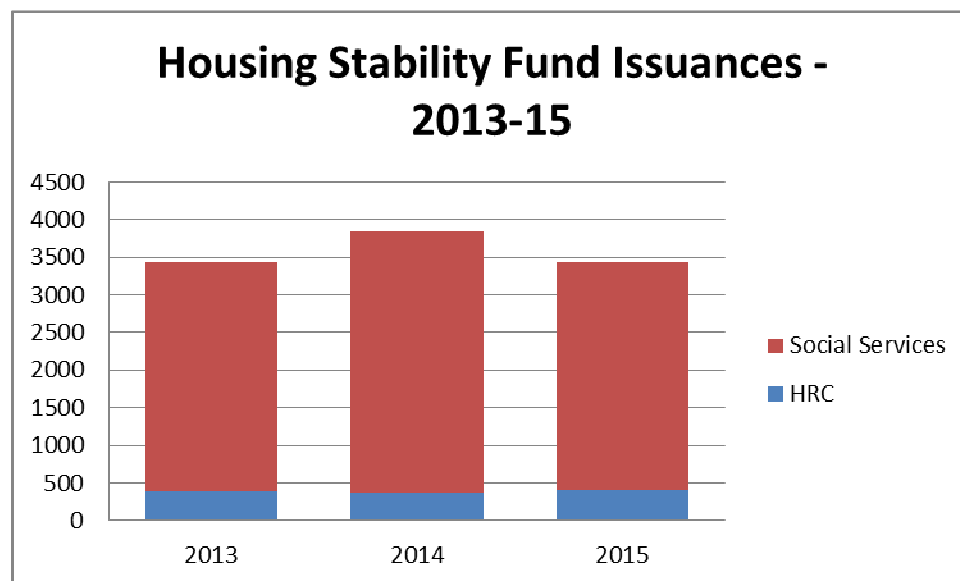
There are also a number of rent supplements for highly vulnerable populations (e.g. people with addictions and mental health concerns) that the Central East LHIN funds through direct arrangements with service providers.

Despite these efforts there continues to be a significant affordability problem. Based on the 2015 Rental Housing Index Report, 2650 households pay more than 50% of their income on housing costs. Peterborough City and County are ranked second worse for rental affordability and overcrowding. Therefore, staff recommendation a) requests consideration for further municipal investment in rent supplements.

Should Council wish to help address the needs of more low-income renters through an immediate increase to the Municipal rent supplement budget, a \$50,000 draw from the Social Services reserve could occur. Because rent supplements constitute an on-going commitment to landlords, this would require a pre-commitment of \$100,000 in 2017 and subsequent years to maintain those rent supplements. This level of investment would assist a minimum of 25-30 more low-income households with \$200 to \$300 in monthly payments to their landlords.

### Housing Stability Fund

In 2015 approximately \$1,733,000 was allocated to Housing Stability Fund (HSF) and about 3,300 issuances occurred to address a range of housing issues of an urgent nature including utility or rent arrears and last month rent. Past research shows positive outcomes for those able to be assisted through the HSF.



After a review of the past three years' expenditures, some policy adjustments have been made in 2016 that staff feels will improve outcomes and help a few more people. These include help with critical household repairs (e.g. furnace maintenance) below the level of the Peterborough Renovates program and supporting a relocation plan to another community if it is to assist a person to better access services, supports, and/or family.

Not all urgent housing needs related to cost are able to be addressed through the HSF as the policy parameters including the maximum household income and value of the financial assistance provided are set to be in line with the budget allocated. The Provincial budget announcement on February 25, 2016 indicates an increase in the Community Homelessness Prevention Initiative (CHPI) funding. Local allocations beyond March 31, 2017 are not yet known and until they are, increased spending in this area by any significant amount could present difficulties in the future. Therefore, staff is not recommending an increase in the Housing Stability Fund at the present time.

Staff also recommend where possible, future investments should support a shift from emergency to preventative or longer-term solutions. For example, a shift from emergency shelters to Housing First supports stability and assists with transitions for people experiencing homelessness. A shift from reliance on emergency funds such as those provided through HSF to longer-term stability and affordability can be accomplished with rent supplements. While there will always be a need for some level of emergency support and programs, it is recommended that additional funds be primarily put towards rent supplements or other long-term housing stabilization strategies instead of HSF.

## **2017 Budget Process**

In prior years the reduction in municipal contribution to mandatory benefits has in part been used to invest in programs and services for vulnerable people including Discretionary Benefits like emergency dental, dentures, subsidized adult transit fares and recreation subsidies for children and youth. There have also been municipal investments towards the Housing Stability Fund and Municipal Rent Supplements referenced above as well as other homelessness prevention and intervention programs.

Although recommendation a) would result in pre-commitment of future years' budgets it is appropriate within context of the provincial upload of the costs of mandatory benefits to the province which will result in savings to the municipality for the next two years. The anticipated value of the upload for the City is \$931,195 in 2017 and \$869,116 in 2018. Staff will be seeking direction from Council through the budget guideline report as to how best balance the competing pressures for the corporation and the citizens we serve.

## Summary

Staff was requested to bring an update report in the first quarter on the Housing Stability Fund and Rent Supplement programs. At this time staff recommends an increase in the Municipal Rent Supplement program and no increase in the Housing Stability Fund. Staff also suggests that through the budget guideline report a recommendation for consideration will be brought to Council on priority areas of need.

Submitted by,

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