



City of
Peterborough

TO: Members of the Joint Services Steering Committee

FROM: Malcolm Hunt, Director of Planning and Development Services

MEETING DATE: September 9, 2010

SUBJECT: Report PLHDJSSC10-03
A New Short-Term Rent Support Program

PURPOSE

A report on the City of Peterborough's approach to the Short-Term Rent Support Program (STRSP).

RECOMMENDATION

That Joint Services Steering Committee approve the recommendation outlined in Report PLHDJSSC10-03 dated September 9, 2010, of the Director of Planning and Development Services, as follows:

The Report PLHDJSSC10-03 be received for information.

BUDGET AND FINANCIAL IMPLICATIONS

The program is fully funded by the Province of Ontario, Ministry of Municipal Affairs and Housing (MMAH), and no new net City / County funding is required.

BACKGROUND

The Short-Term Rent Support Program (STRSP) is designed to help address affordability issues of low-income households during the current economic slowdown. It will last 3 years, beginning 2010/2011 and ending 2012/2013. The Ministry of Revenue will use existing program infrastructure developed for a similar program (i.e. Rental Opportunities for Ontario Families (ROOF)).

Service Managers, such as the City of Peterborough, are being provided with information by MMAH about the new program incrementally, as it becomes available. Service Managers have been asked by MMAH to participate in the program by:

- a) establishing local tenant selection criteria, in addition to provincial rules on income limits (ranging from \$21,000 to \$47,500 depending on household size) and ineligibility of households already in receipt of RGI assistance;
- b) setting the amount of a fixed monthly subsidy between \$100 and \$250 per month, as warranted by the local housing market; and,
- c) managing the application process.

Beginning in January 2011, the Province will send monthly subsidies to tenants selected by the Service Manager, and may provide a lump sum retroactive subsidy based on the Service Manager's recommendation. The monthly subsidies are transferable if the household moves.

A second delivery option is available. Service Managers may deliver "directly" and administer some or all of the available funding, working directly with selected landlords for specific eligible tenants. This delivery option is suitable for situations in which the Service Manager seeks to narrow tenant eligibility while supporting a specific housing project. A request must be sent to MMAH, in the form of a business case, for this delivery option to be considered.

Other similar initiatives

There are two similar short-term rent support programs, ROOF and Housing Allowance Rent Supplement (HARS)) currently available. Monthly subsidies of \$100 under ROOF are available from the Province to eligible households through a five-year

initiative that started in early 2008, and monthly subsidies of \$175 and \$200 (depending on unit size) are available through HARS.

In Peterborough, there are currently 69 households in receipt of ROOF monthly subsidies, and no new households are being added. Originally, up to 120 households could receive subsidies. The high attrition rate in the ROOF program is likely due to strict eligibility criteria, especially the annual household income limit which is \$20,000. The second short-term program, HARS, is administered through Peterborough Housing Corporation (PHC) and pays landlords on behalf of about 36 households. Originally, 50 households could receive subsidies. Both programs expire in 2012/2013.

There is a need for the City to develop a comprehensive exit strategy for tenants participating in all short-term programs, so that the loss of monthly subsidies does not result in the termination of tenancies. Attrition of participants in the programs will be monitored, and an exit strategy using available resources, such as other rent supplement programs managed by PHC, will commence in 2012.

Peterborough's Approach to STRSP

The local approach to delivering STSRP will need to balance the availability of limited, short-term program funding in Peterborough, with the best information available about the high needs among potential client groups. As the program subsidies administered by the province are to be "first-come-first-served", the tenant selection criteria is a significant factor.

An estimate of available STRSP funding, based on the City's experience with previous allocations, is that 65 to 80 households might benefit. However, local demand will be great, as indicated by the following statistics:

- a) there are over 6,500 tenant households in the City alone with incomes below \$29,999;
- b) the social housing waiting list has over 1,500 households waiting for rent-geared-to-income; and,
- c) the greatest proportion of tenants paying more than 30% of income on rent (6,385 households) and more than 50% of income on rent (2,885 households) in Canada, is in the Peterborough census area.

The approach to program participation (e.g. tenant selection, developing other criteria and administrative processes) for STRSP will be developed by City staff, in a collaborative exercise including the Housing Division, Social Services and PHC.

In finalizing the approach, staff will consider the following questions:

- a) What is the criteria which focuses on households most in need? (e.g. size of households could be singles vs. families, household could have special needs);
- b) Is it appropriate to target applicants to the social housing waiting list? How suitable is STRSP (which does not produce rent-geared-to-income) to the needs of applicants?
- c) What is the implication of receipt of subsidy for clients of Ontario Works and Ontario Disability Support program? What discretion can the City apply in considering “income” from STRSP?
- d) What is an appropriate fixed subsidy level for STRSP to provide meaningful rent support to the maximum number of households?
- e) What specific opportunities does the “direct delivery” approach provide to the City in working with selected landlords on narrower targets for eligibility? and,
- f) What are the appropriate administrative processes for distributing, receiving and processing applications within a tight timeframe?

Limited details available, signing authority requested

As mentioned above, details of the STRSP, including legal documents and required authorizations, are being provided incrementally by MMAH over the coming weeks.

Through Report PLHD10-007 dated September 7, 2010, Committee of the Whole was asked to endorse the following recommendation:

“That the Mayor and Clerk, and/or other individuals as may be requested by the Province, be authorized to execute a Referral Agreement and any other documentation provided by the Province for participation in the Short-Term Rent Support Program (STRSP).”

SUMMARY

The City as Service Manager for housing has the opportunity of senior government funding to address the demonstrated need in the Peterborough service area for greater housing affordability for people with low incomes.

Submitted by,

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