



STAFF REPORT ACTION REQUIRED

Toronto Rent Bank Program

Date:	October 10, 2013
To:	Community Development and Recreation Committee
From:	General Manager, Shelter, Support and Housing Administration
Wards:	All
Reference Number:	

SUMMARY

Since 2004, the provincial government has provided funding for a Rent Bank Program in Toronto to provide interest-free loans to low income tenants at risk of eviction. Starting in 2013, the Provincial Community Homelessness Prevention Initiative (CHPI) replaced five existing homeless services funding programs: Consolidated Homelessness Prevention Program (CHPP), Emergency Hostels, Emergency Energy Fund, Domiciliary Hostels (none operating in Toronto) and the Rent Bank Program. CHPI is funded by the Ministry of Municipal Affairs and Housing (MMAH).

Council directed that 2013 was a transitional year for the new CHPI Program. The Toronto Rent Bank Program continued to operate throughout 2013 within the same funding and operating parameters which were outlined in the 2009 Rent Bank Agreement between MMAH and the City of Toronto, and the Local Rules approved by Council on October 26 and 27, 2009. However, beginning in 2014, these parameters, known as the Provincial and Local Rules, will no longer be in effect. In their place, new guidelines have been developed to assist low income tenants at risk of eviction.

This report recommends that Council authorize the General Manager, Shelter, Support and Housing Administration to enter into, amend and administer agreements with respect to the Toronto Rent Bank Program. It also outlines new guidelines for operating the program which are in keeping with the mandate of the program to provide interest-free loans to low income tenants and includes a new pilot program to address the unique needs of tenants at risk of becoming homeless.

RECOMMENDATIONS

The General Manager, Shelter, Support and Housing Administration, recommends that City Council:

1. Authorize the General Manager, Shelter, Support and Housing Administration, to negotiate, execute and amend agreements for the period January 1, 2014 to March 31, 2015 with Neighbourhood Information Post (the lead community agency coordinating the Rent Bank Program in Toronto) to deliver the Toronto Rent Bank Program, in accordance with the guidelines set out in Appendix A, subject to the approval of the 2014 and 2015 Operating Budgets for SSHA;
2. Allocate a budget of up to \$1,053,000 gross and \$0 net from the 2014 CHPI Program for the Toronto Rent Bank Program, subject to the approval of the 2014 Operating Budget and up to \$370,812 gross and \$0 net from the January 1 to March 31, 2015 CHPI Program, subject to the approval of the 2015 Operating Budget for SSHA; and
3. Authorize the General Manager, Shelter, Support and Housing Administration to make changes to the guidelines, as outlined in Appendix A, in consultation with the Rent Bank Steering Committee, in order to improve service delivery and ensure effective use of Rent Bank funds.

Financial Impact

The City of Toronto is the Consolidated Municipal Service Manager (CMSM) for homelessness services as designated by the Ministry of Municipal Affairs and Housing (MMAH). This report recommends a budget allocation for the Toronto Rent Bank Program of up to \$1,053,000 gross and \$0 net from the 2014 CHPI Program, and up to \$370,812 gross and \$0 net from the 2015 CHPI program for the period January 1 to March 31, 2015. Funding is contingent on approval of the 2014 Operating Budget for SSHA, as well as the continued funding from the Ministry of Municipal Affairs and Housing. Funding for 2015 is included in the Outlooks, and will be considered as part of the Operating Budget process. Should the provincial funding be reduced in 2014, the allocations recommended in this report would be reduced to align with available funds.

The Toronto Rent Bank Program is funded by both the Community Homelessness Prevention Initiative (CHPI) funding and the Repaid Loan Fund which is administered by the lead agency of the Toronto Rent Bank Program, for a total estimated operating cost of up to \$2,503,000 in 2014 and a total estimated operating cost of \$633,312 from January 1 to March 31, 2015.

The Repaid Loan Fund is comprised of the funding which loan recipients repay on a monthly basis (generally about \$25/month) for their loans, which totalled \$771,403 in 2011, \$803,509 in 2012 and \$445,318 in the first six months of 2013. The Repaid Loan Fund is used for: funding rental arrear loans which are above the CHPI allocated funding

amount; program delivery costs; the Rental Deposit Program and, will be used to fund the Homelessness Prevention Pilot Project as outlined in Appendix A. There is no City contribution to this component of the programming.

The 2014/2015 recommended funding allocations are outlined in the following table:

January 1, 2014- March 31, 2015 Projected Expenditures	2014 Provincial CHPI	2014 City	2014 Repaid Loan Fund	Total Estimate 2014	2015 Provincial CHPI **	2015 City	2015 Repaid Loan Fund	Total Estimate 2015
Toronto Rent Bank Loans	1,000,000	0	800,000	1,800,000	357,562	0	100,000	457,562
Homelessness Prevention Pilot		0	200,000	200,000	0	0	50,000	50,000
Rent Bank Access Centre Worker*	53,000	0	0	53,000	13,250	0		13,250
Program Delivery Costs		0	450,000	450,000	0	0	112,500	112,500
Total	1,053,000	0	1,450,000	2,503,000	370,812	0	262,500	633,312

* Includes four Rent Bank Workers delivering direct services

** January 1 – March 31, 2015

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity Impact

The Toronto Rent Bank Program is intended to improve services provided to people who are homeless or at risk of homelessness, which includes equity seeking groups such as women, seniors, people with disabilities, individuals with mental health issues, and other vulnerable groups in the City of Toronto.

DECISION HISTORY

The City of Toronto was one of the first Ontario municipalities to initiate a rent bank program, beginning in 1998. In 2004 the province provided \$2,174,833 in funding for the Rent Bank for two years, and has since then continued to fund the program on an annual basis. At its meeting of September 28, 29, 30 and October 1, 2004, Council authorized the Commissioner of Community and Neighbourhood Services to enter into a funding agreement for Provincial Rent Bank funding for the first time, and approved the program design and implementation strategy.

<http://www.toronto.ca/legdocs/2004/agendas/council/cc040928/cms6rpt/cl011.pdf>

At its meeting of July 25, 26 and 27, 2006, Council approved the allocation of \$1,068,757 in provincial funding, plus accrued interest, to the Rent Bank Program.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060725/cms5rpt/cl008.pdf>

At its meeting of November 19 and 20, 2007, Council approved the allocation of \$1,261,910 in provincial funding, plus accrued interest, to the Rent Bank Program.

<http://www.toronto.ca/legdocs/mmis/2007/cd/bgrd/backgroundfile-7904.pdf>

At its meeting of December 1, 2 and 3, 2008 Council approved the allocation of \$1,823,757 in provincial funding, plus accrued interest, to the Rent Bank Program.

<http://www.toronto.ca/legdocs/mmis/2008/cd/bgrd/backgroundfile-17260.pdf>

At its meeting of October 26 and 27, 2009, Council approved the allocation of \$1,499,211 in provincial funding, plus accrued interest, to the Rent Bank Program.

<http://www.toronto.ca/legdocs/mmis/2009/cd/reports/2009-10-09-cd27-cr.htm>

At its meeting of October 30, 31 and November 1, 2012, Council authorized the General Manager, Shelter, Support and Housing Administration, “*to negotiate, enter into, amend and administer agreements and Local Rules with respect to the City's current program related to rental deposit and rental arrears loans (previously referred to as the Provincial Rent Bank Program), in accordance with any existing Council authority (October 26, 2009)*” (Recommendation 4).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX23.15>

The Housing Opportunities Toronto Affordable Housing Action Plan 2010-2020, approved by Council at its meeting of August 5 and 6, 2009, identifies as a key City action to: “Keep tenants housed through eviction prevention and education by administering the provincially-funded Rent Bank Program which helps at-risk households avoid eviction through short-term, interest free loans.”

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-08-05-cc38-dd.htm>

ISSUE BACKGROUND

The Toronto Rent Bank provides interest-free loans to low income tenants in imminent danger of losing their homes due to rental arrears and to low income tenants for first and/or last month's rent deposits who are moving to more affordable and/or stable housing. It is delivered through Rent Bank Access Centres which are a network of community agencies across Toronto, ensuring efficient program delivery and providing clients with one-window access to a range of complementary services such as utility grants. The agencies delivering the program are listed in Appendix B.

The Rent Bank Steering Committee is comprised of representatives of each of the Rent Bank Access Centres and City staff. The Steering Committee oversees the delivery of the Rent Bank Program, approves operational guidelines which are updated in the Rent Bank Policy Manual, evaluates program effectiveness and recommends policy changes

subject to the General Manager of SSHA. As the lead coordinating agency, Neighbourhood Information Post chairs the quarterly meetings of the Steering Committee.

The lead agency, Neighbourhood Information Post, will continue to coordinate and administer the Toronto Rent Bank Program in 2014. A Request for Proposal to administer the Toronto Rent Bank Program will be issued in 2014, with an expectation that a new service agreement will begin with the successful applicant beginning April 2015. As part of this RFP, funding will be made available to operate a Rent Bank Access Centre on site.

The Toronto Rent Bank Program continued to operate throughout 2013 within the same funding and operating parameters which were outlined in the 2009 Rent Bank Agreement between MMAH and the City of Toronto, and the Local Rules approved by Council on October 26 and 27, 2009. In 2014, it is recommended that the Eligibility and Operating Guidelines outlined in Appendix A be adopted to prevent tenant evictions and increase housing stability.

In 2009, the City established specific rules to meet the provincial requirements for the program, such as not using provincial funds to restore tenancies (sheriff and legal fees). The Local Rules have been streamlined since their adoption in 2009. With greater flexibility in the new CHPI program, the Toronto Rent Bank Program has been able to simplify the guidelines for the programs currently in place for rental arrears and rental deposits (first and/or last month's rent).

The eligibility criteria for both the Rental Arrears and Rental Deposit programs, which are outlined in Appendix A, have also been expanded somewhat, without compromising the primary mandate of the program which is to serve low income tenants who are not receiving social assistance or student loans. The Rent Bank Steering Committee has identified certain tenants currently at risk of eviction who could benefit from financial assistance and has created eligibility criteria to specifically address these special circumstances. For example, there are a small number of applicants who work and also receive some social assistance who are at imminent risk of eviction without a loan. In addition, Ontario Student Assistance Program (OSAP) recipients do not generally qualify for the Rent Bank Program. However, on occasion applicants have approached their educational institutions and been turned down for a loan when an unexpected event has occurred destabilizing the household's finances when the period for the OSAP loan is about to end.

Program Results

Almost one-half of households in Toronto rent their homes, and almost one-half of all tenant households are paying more than 30% of their income on rent. The average monthly market rent for a one bedroom apartment in the City was \$1,007 in 2012. The Rent Bank Program is a key support in assisting low income tenants, who are in imminent danger of losing their homes due to rent arrears, to avoid evictions and to

maintain housing stability when they need to relocate for affordability and personal reasons such as moving closer to work.

An evaluation of the Rent Bank Programs across Ontario was conducted by the province in 2008. The evaluation found that the Rent Bank helped clients to stabilize their housing. Province wide, 56% of clients, who would likely have otherwise been evicted, were still in their homes after six months, and 33% were still in their homes after two years. In 2012, 1063 households received rental arrears loans in the City of Toronto. Follow up with 528 of the loan recipients demonstrated that 89% were still residing in the same location after six months. For some tenants, helping them to move into a more affordable home is a better solution than remaining in the same unit. For this reason, in Toronto, the Rent Bank Program is delivered in conjunction with other housing support services.

Since 2004, the Toronto Rent Bank Program has issued an average of 1,000 rental arrears loans annually. In 2012, the average loan was \$1,825 per household. During the six month period (January 1 to June 30, 2013), a total of 465 rental arrear loans were granted, totalling \$866,616, and 64 rental deposit loans were granted, totalling \$106,869.

Although managing a loans program instead of a grants program results in more administrative/program delivery costs, there are considerable benefits to this approach. A loans-based program allows loan recipients to make repayments for several years, often developing a long term relationship with their rent bank workers who provide assistance with money management, landlord-tenant mediation and referrals to other housing help services as needed.

In addition, funds available from repaid loans have made the Rent Bank Program more sustainable by enabling more loans to be issued to households in need by using repaid funds. (Currently, the loan repayment rate is forty-seven percent). Program delivery costs for Neighbourhood Information Post can be largely paid through the Repaid Loan Fund, recognizing that the Repaid Loan Fund may vary year to year and that CHPI funding may be required in the future to offset the costs for restoring tenancies and program delivery costs.

When funds are available, they can also be used to enhance the Loan Fund and pilot new initiatives such as the Homelessness Prevention Pilot described below.

Homelessness Prevention Pilot Project

Drawing on the Repaid Loan Fund, this project will deliver one-time financial assistance through the provision of food vouchers to people who are at risk of homelessness. Community, service user and City staff consultations indicated the importance of homelessness prevention strategies, recognizing that high risk tenants may require a range of flexible supports and services to avoid ending up in shelters or on the street. After considering a number of options, the Toronto Rent Bank Steering Committee decided that providing one-time food vouchers to low income households was the most

effective approach for delivering assistance to tenants in immediate need of financial support to prevent homelessness. By saving on food costs when a crisis occurs, tenants can redirect their monthly income to address a number of potential crisis situations such as bed bug remediation, furniture replacement due to natural disasters such as floods/fires, or responding to a personal crisis such as an unexpected accident or illness in the family.

It is proposed that the food vouchers be distributed among all of the Rent Bank Access Centres, who would oversee managing the vouchers, including taking referrals from workers in local community agencies on behalf of their vulnerable clients who are in need of assistance.

To manage the limited funding (total of \$200,000 in 2014), the Toronto Rent Bank Steering Committee will develop a simple application form, track the use of the vouchers and their impact and will complete an evaluation of the project at the end of the year.

Specific Eligibility and Operating Guidelines for this pilot are outlined in Appendix A. These Guidelines will be reviewed regularly by the Toronto Rent Bank Program and Steering Committee in an effort to ensure effective use of the funds.

CONTACT

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ATTACHMENTS

Appendix A: Toronto Rent Bank Program: Eligibility and Operating Guidelines
Appendix B: List of Rent Bank Program Delivery Agencies

APPENDIX A

TORONTO RENT BANK PROGRAM: ELIGIBILITY AND OPERATING GUIDELINES

The following table lists the Operating Guidelines for the following three Programs:

1. Rental Arrears Program
2. Rental Deposit Program (First and/or Last Month's Rent)
3. Homelessness Prevention Pilot Project

These Programs have been approved by the Rent Bank Steering Committee, which is comprised of the Rent Bank Access Centres (see Appendix B), the lead coordinating agency (Neighbourhood Information Post) and City staff. This Steering Committee develops/approves operational guidelines which are updated in the Rent Bank Policy Manual and makes recommendations for policy changes as needed, subject to the approval of the General Manager, Shelter, Support and Housing Administration (SSHA).

These guidelines include the funding parameters for the three Programs, which are operated by the Toronto Rent Bank Program. For all Programs, an application process is required through which an assessment is done to determine if the funding will help stabilize the applicant's housing situation.

1) Rental Arrears Program:

Program Goal: To provide interest-free loans to households at imminent risk of eviction.

Eligible Applicants

- May be singles, couples or families with children;
- Must be in immediate danger of losing their residence due to unpaid rent;
- Must be a resident of the City of Toronto and meet requirements for status in Canada (i.e. Canadian citizen, permanent resident, refugee, or temporary foreign worker);
- Must not own a home;
- Must have a stable income;
- Must not be receiving over 50% of their household income through ODSP or OW (social assistance);
- Must be paying market rent in units regulated by the Residential Tenancies Act;
- Must meet the following criteria and all other relevant eligibility criteria if receiving funding through Ontario Student Assistance Program (OSAP):
 - the OSAP recipient must be the head or co-head of the household; and
 - the applicant has approached their educational institution for additional and/or emergency financial assistance and has not been successful; and
 - an unexpected event has occurred to the applicant/household that has temporarily destabilized their household finances through a one-time expense; or
 - it is late in the OSAP recipient's term and the applicant/household is expecting the next OSAP instalment shortly;
- Must be able to afford the rent in the long term, including loan repayments; and
- Must have household income below income limits as set by Canada Mortgage and Housing Corporation (for 2013, the Housing Income Limits (HILs) for one Household Occupant is \$34,000 and two Household Occupants is \$40,000). In exceptional circumstances, additional income up to \$7,500 above HILs can be considered.

Operational Guidelines

- Program funds may cover a maximum of two month's rent with a maximum loan amount of \$3,500.
- The loan may include related costs necessary to restore the tenancy such as sheriff fees and Landlord and Tenant Board costs (Sheriff fees generally do not exceed \$350 and Landlord and Tenant Board costs are \$170).
- The maximum loan amount may not exceed \$3,500.
- A household may receive financial assistance no more than once every two years, with more flexibility where the loan has been repaid sooner than two years.
- Rent Bank staff shall attempt to mediate a solution with the landlord thus avoiding the need for a loan.
- When a loan is required, tenants must apply for the loan, demonstrate that they meet all program criteria, and give consent for Rent Bank staff to work with the landlord to avert the eviction.
- The funds must be paid to the applicant's landlord and not to the applicant directly.

2) Rental Deposit Program (First and/or Last Month's Rent)

Program Goal: To provide interest-free loans to households for first and/or last month's rent deposits to households moving into more affordable and/or stable housing.

Eligible Applicants

- May be singles, couples or families with children;
- Must be moving into more affordable and/or stable housing;
- Must be able to afford the new rent in the long term, including loan repayments;
- Must be a resident of the City of Toronto and meet requirements for status in Canada (i.e. Canadian citizen, permanent resident, refugee, or temporary foreign worker);
- Must be moving into a market rent unit regulated by the Residential Tenancies Act;
- Must have a stable income;
- Must not be receiving over 50% of their household income through ODSP or OW (social assistance);
- Must meet the following criteria and all other relevant eligibility criteria if receiving funding through Ontario Student Assistance Program (OSAP):
 - the OSAP recipient must be the head or co-head of the household; and
 - the applicant has approached their educational institution for additional and/or emergency financial assistance and has not been successful; and
 - an unexpected event has occurred to the applicant/household that has temporarily destabilized their household finances through a one-time expense; OR
 - it is late in the OSAP recipient's term and the applicant/household is expecting the next OSAP instalment shortly; and
- Must have household income below income limits as set by Canada Mortgage and Housing Corporation (for 2013, the Housing Income Limits (HILs) for one Household Occupant is \$34,000 and two Household Occupants is \$40,000). In exceptional circumstances, additional income up to \$7,500 above HILs can be considered.

Operational Guidelines

- The maximum loan amount is based on size of unit. Loans can cover first and/or last month's rent. Rents by unit size should not exceed bachelor: \$800; one-bedroom \$1,000; two-bedroom: \$1,200; three or more bedrooms: \$1400.
- A household may receive financial assistance no more than once every two years, with more flexibility where the loan has been repaid sooner than two years.
- The funds must be paid to the applicant's landlord and not to the applicant directly.

General Program Guidelines – Rental Arrears and Rental Deposit Programs

- An application process is required and applications must be evaluated, including taking into consideration the applicant's needs and the potential for long-term housing (i.e. would the applicant's housing situation be stabilized if program funding is provided).
- Where it is determined that the housing is not sustainable for the applicant, Rent Bank staff shall provide support to the applicant to achieve sustainable housing, including connecting them to a Housing Help worker.
- Loan repayment schedule shall be established for each loan. Where there is a change in the loan recipient's financial situation, they may request a renegotiation of their monthly repayment amount or apply for payment deferral. Recipients who are "not in good standing" are ineligible for future loans until such time as the unpaid loan is addressed.
- The Rent Bank Steering Committee, which includes representatives from all Rent Bank Access Centres (see Appendix B) and City staff, will monitor program implementation, develop operational guidelines and make policy changes as needed, subject to the approval of the General Manager, Shelter, Support and Housing Administration.

Financial and Reporting Guidelines

- Additional program delivery costs will be allocated from the Repaid Loan Fund, subject to the approval of the General Manager, Shelter, Support and Housing Administration.
- Annual reports to MMAH about all CHPI funded activities, including the Rent Bank Program are required and quarterly reports are submitted to Toronto's Management Information Dashboard.
- Annual financial reporting to MMAH is required, and MMAH may request other reports from time to time.

Appeals and Special Case Considerations

- A Special Case Committee, comprised of at least five members of the Rent Bank Steering Committee, is established to consider appeals by applicants and special case requests.
- Applicants may appeal a decision to the Special Case Committee. The decision of the Special Case Committee is final and shall be communicated with reasons to the applicant in writing and reported back to the Steering Committee.

3) Homelessness Prevention Pilot Project

Program Goal: To provide immediate financial assistance through one-time food vouchers to low income households who are at risk of homelessness.

Eligible Applicants
<ul style="list-style-type: none">• May be singles, couples or families with children;• Must be identified by an agency worker as being low income, at risk of homelessness and requiring immediate access to financial assistance;• Must not be receiving ODSP or OW (social assistance); and• Must have an on-going relationship with an agency worker and be identified as being in a crisis which has jeopardized the applicant's housing stability (i.e. personal crisis, illness, fleeing from violence, responding to a natural disaster, a bed bug infestation, etc.).
Operational Guidelines
<p>A household may receive financial assistance no more than once every year, with a maximum of \$200 in food vouchers provided within the year.</p> <p>Neighbourhood Information Post, as the lead coordinating agency, will purchase and administer the vouchers among all of the Rent Bank Access Centres.</p> <p>The Rent Bank Steering Committee will develop an application form with the following principles: clear criteria to assist with determining priority access; simple to complete; fair and transparent; assists with establishing/maintaining housing stability for the recipient; and containing clear indicators which are able to be tracked over time.</p> <p>Rent Bank Access Centres will either complete applications or work with the referring agency workers to complete the applications, which will be processed by the local Rent Bank Access Centre.</p> <p>Food vouchers will be allotted each month (approximately 18/\$100 vouchers available per month per Rent Bank Access Centre). Each Rent Bank Access Centre must account for their food vouchers</p> <p>The Rent Bank Steering Committee may change allocations of the vouchers to different Centres based on reporting/demand for the vouchers from the Rent Bank Access Centres.</p> <p>Neighbourhood Information Post, as the lead coordinating agency, will work with the City to consolidate the findings from each Rent Bank Access Centre and report back on the Pilot Project quarterly and through a final report to the City.</p> <p>A maximum of \$200,000 of the Repaid Loan Fund will be allocated to the Pilot Project in 2014 with a plan to evaluate services by year-end.</p>

**APPENDIX B
LIST OF RENT BANK PROGRAM DELIVERY AGENCIES**

The Toronto Rent Bank Program is delivered through a network of community agencies known as Rent Bank Access Centres, which provide access points to the Program across Toronto. Neighbourhood Information Post serves as the lead coordinating agency for the Toronto Rent Bank Program and provides the central coordination and administration functions, which are funded by CHPI Rent Bank funds. The other agencies are funded by CHPI Housing Help funds and are located across the City to serve all wards. The current list of community agencies providing these services are:

Organization*	Ward*
Albion Neighbourhood Services / Etobicoke Housing Help Centre North Site: 21 Panorama Court South Site: LAMP, 185 5 th Street	01 06
COSTI - North York Housing Help 1700 Wilson Avenue, Suite 114	7
EYET East York Housing Help Centre 1350 Danforth Avenue	29
Neighbourhood Information Post 269 Gerrard Street East	28
Flemingdon Neighbourhood Services 10 Gateway Blvd, Suite 104	26
Scarborough Housing Help Centre 2500 Lawrence Avenue East, Unit 205	37
WoodGreen Community Services 650 Queen Street East	30
Unison Health & Community Services 1651 Keele Street	12

***Note:** Rent Bank Access Centres may change on April 1, 2014 as a result of a Request for Proposal (RFP) process for Housing Help and Street Outreach Services.