

May 10, 2011

To: Executive Committee

From: Budget Committee

Subject: **In-Year Budget Adjustment for Short-Term Rent Support Program:
Shelter, Support and Housing Administration (Item BU11.2)**

Recommendation:

The Budget Committee recommends to the Executive Committee that:

- 1. City Council approve increasing the Shelter, Support and Housing Administration 2011 Approved Operating Budget by \$2,611,387 gross and \$0 net to reflect the receipt of provincial funding under the Short-Term Rent Support Program.**

Background:

The Budget Committee at its meeting on May 10, 2011, considered a report (April 28, 2011) from the General Manager, Shelter, Support and Housing Administration, entitled "In-Year Budget Adjustment for Short-Term Rent Support Program: Shelter, Support and Housing Administration" (BU11.2).

City Clerk

Merle MacDonald/jsc
Att.

BU11.2

Background Information

(April 28, 2011) Report from the General Manager, Shelter, Support and Housing Administration on In-Year Budget Adjustment for Short-Term Rent Support Program: Shelter, Support and Housing Administration

(<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-37678.pdf>)

**STAFF REPORT
ACTION REQUIRED****In-Year Budget Adjustment for Short-Term Rent Support
Program: Shelter, Support and Housing Administration**

Date:	April 28, 2011
To:	Budget Committee
From:	General Manager, Shelter, Support and Housing Administration
Wards:	All
Reference Number:	

SUMMARY

The Province of Ontario has implemented a Short-Term Rent Support Program (STRSP) to help address housing affordability issues faced by Ontario households in need. This time limited program commenced late in the provincial 2010/11 fiscal year and will end in 2012/13. The City of Toronto is participating in part of the program. The Province of Ontario is funding the entire program and is providing funds to the City for the costs incurred in the City's participation. The program details were not confirmed by the provincial government in time to include these funds in the 2011 Operating Budget process.

This report requests a budget adjustment of \$2,611,387 gross and \$0 net to the Shelter, Support and Housing Administration's 2011 Approved Operating Budget to reflect the additional revenues to be received in 2011 from the provincial government under the Short-Term Rent Support Program.

RECOMMENDATIONS

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

1. the Shelter, Support and Housing Administration 2011 Approved Operating Budget be increased by \$2,611,387 gross and \$0 net to reflect the receipt of provincial funding under the Short-Term Rent Support Program.

Financial Impact

Approval of the recommendation will increase Shelter, Support and Housing Administration's 2011 Approved Operating Budget by \$ 2,611,387 gross and \$0 net to \$919,455,761 gross and \$291,988,963 net. The 2011 allocation of \$ 2,611,387 under the Short-Term Rent Support Program is 100 percent funded by the provincial government with no matching funds required from the City.

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

Equity Impact

The purpose of the new Short-Term Rent Support Program is to assist low income individuals and families with housing affordability issues. The program will help these households to maintain their housing and provide some modest economic relief over the short term.

DECISION HISTORY

At its meeting of August 25 and 26, 2010 Council adopted Community Development and Recreation Committee Report CD35.10, "Proposed Short Term Provincial Program to Help Address Housing Affordability Issues". Council authorized the General Manager, Shelter, Support and Housing Administration to enter into a transfer payment agreement with the Ministry of Municipal Affairs and Housing to receive funding, negotiate the terms of the program, enter into agreements for program delivery and report back to Council with program details and any further implications in early 2011.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.CD35.10>

ISSUE BACKGROUND

The Province of Ontario has developed the Short-Term Rent Support Program (STRSP) to help address housing affordability issues faced by Ontario households in need. STRSP is a time-limited program commencing in the provincial 2010/2011 fiscal year and ending in 2012/2013.

The City of Toronto and other municipalities were invited to participate in this provincial initiative. In November 2010, the Province advised the City that approximately \$21 million of STRSP funding was being allocated to provide rent support for Toronto residents over the three years of the program.

In 2011, the City will receive a total transfer of \$2,611,387 for its involvement in the delivery of the STRSP, comprised of \$2,409,690 in program funding and \$201,697 in administration fees.

The Province has established two service delivery models for the administration of the STRSP:

"Shared" (Provincial) Delivery:

Seventy-five percent of the funding allocated to support households in Toronto is being delivered and administered by the province through the Ministry of Revenue. The Ministry of Revenue administers the application process, confirms eligibility using CRA Income Tax Data and makes payments directly to clients. Under the Shared Delivery Model, up to 3,500 households will receive a monthly benefit of \$180 towards their rent for the duration of the program. The benefit is fully portable and not tied to a rental unit.

For this portion of the program, the Province asked the City to identify a pool of potential eligible applicants and mail out provincial application forms on behalf of the Province. The pool of potential eligible applicants was selected chronologically from the centralized social housing waiting list. The Province has provided the City with an allocation of \$83,319 as an administration fee for mailing out the provincial applications. Because the Shared Delivery part of STRSP is directly administered by the Province, no program funds other than the administration fee will flow to the City.

"Direct" (Municipal) Delivery:

Twenty-five percent of the funding allocated to support households in Toronto is being delivered and administered by the City of Toronto in partnership with community agencies and Housing Connections under agreements between the City and the Province and between the City and the partnering agencies. Up to 840 households will receive a monthly benefit of approximately \$250 which is paid directly to the landlord and is portable and not tied to the rental unit. The City will receive approximately \$2,409,690 to cover program costs and \$118,378 for Direct Delivery administration costs in 2011.

Applicants for this part of the STRSP initiative were selected from specific target groups who currently do not have permanent housing (either homeless or living in shared or transitional housing). The Province provides the City with funds for the monthly benefit and an administration fee per allocation.

COMMENTS

City Council has consistently advocated for long term sustainable funding to assist families and individuals to afford rents. *Housing Opportunities* Toronto, the City's ten year affordable housing strategy, which Council adopted in August 2009, requests the provincial government to "assist low-income residents through sustainable, increased funding for rent supplements, housing allowances, and/or other shelter benefits." This provincial program is time limited so does not address the need for sustainable funding.

However, the STRSP and the City's participation in the program will provide modest economic relief to some vulnerable households in Toronto who are struggling with housing affordability through a program that is fully funded by the Province.

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SIGNATURE

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