



STAFF REPORT INFORMATION ONLY

2014-15 Rent Supplement Programs

Date:	August 12, 2015
To:	Budget Committee
From:	General Manager, Shelter, Support and Housing Administration
Wards:	All
Reference Number:	

SUMMARY

This report responds to a May 19, 2015 Budget Committee request for information on the City's rent supplement programs, including agreements, funding allocations, projected expenditures and uptake.

The City of Toronto is the Service Manager for housing and homelessness services and, through the Shelter, Support and Housing Administration (SSHA) division, administers social housing programs in the City of Toronto. This includes the management of social housing provider subsidies, new affordable housing, a centralized waiting list, rent supplements and housing allowances. Because the funding for rent supplement programs is fixed, there is not flexibility within the programs to make allocation changes.

Financial Impact

There is no financial impact associated with this report beyond what has already been approved in the 2015 budget.

Equity Impact

Rent supplements are a tool used by the City to improve housing affordability for residents of Toronto. The information in this report is intended to improve Council's understanding of the City's expenditures and allocations to support low-income residents through the rent supplement programs.

DECISION HISTORY

On May 19, 2015, as part of the "*Operating Variance Report for the Year Ended December 31, 2014*," Budget Committee requested the General Manager, Shelter, Support and Housing Administration, to report on the following information about the rent supplement programs:

1. Total funds allocated in 2014
2. Total number of rent supplement agreements in place in 2014
3. Total number of rent supplement agreements by Ward
4. Projected/allocated expenditures for 2015
5. Projected/allocated number of rent supplement agreements for 2015

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.BU8.3>

ISSUE BACKGROUND

Rent supplements are a form of rent-geared-to-income (RGI) housing subsidy that help people with low or moderate incomes with rent affordability and are a critical part of SSHA's Social Housing System Management. Rent supplements are used in conjunction with social housing provider subsidies, housing allowances and new affordable housing to support the housing needs of low-income residents in the City.

This report outlines the three rent supplement programs administered by SSHA, the funds allocated to the rent supplement programs, the number of rent supplement agreements by Ward and expenditures for the programs in 2014 and 2015.

COMMENTS

Rent supplement units are filled either using the centralized waiting list or through referral agreements. A monthly payment to a private landlord or co-op / non-profit housing provider covers the difference between an agreed-upon market rent and the tenant's RGI portion of rent. A household's eligibility to remain in a rent supplement unit is reviewed annually.

SSHA administers three different rent supplement programs. They are:

1. Private landlord/commercial rent supplement program;
2. Toronto non-profit rent supplement program; and
3. Strong Communities rent supplement program.

The *Housing Services Act* (HSA) requires the City of Toronto to maintain, at a minimum, the number of RGI units identified by the Ministry of Municipal Affairs and Housing prior to transfer, known as service level standards. Units in the private landlord/commercial program and Toronto rent supplement program, including in Toronto Community Housing Corporation (TCHC), are included in service level

standards. Units under the Strong Communities program are not counted towards service level standards.

Unlike the Strong Communities program, units under the private landlord/commercial and Toronto rent supplement programs were transferred from the Province and are now financed as City of Toronto programs. These programs require close monitoring to manage associated costs, including administration, in light of the ongoing loss of Federal housing contributions. As costs escalate, the City is obligated to pay for the rent supplement units, due to a legislated requirement to continue to fund these RGI units indefinitely.

For rent supplement units filled using the centralized waiting list, administration is delegated to Housing Connections, a subsidiary of Toronto Community Housing Corporation (TCHC), which also maintains the centralized waiting list. Once applicants receive a rent supplement unit, they are removed from the waiting list. As approved by Council in May 2015, the delegated functions of Housing Connections, including the administration of the centralized waiting list and the rent supplement program, will become part of the City in fall 2015.

1. Private Landlord/Commercial Rent Supplement Program

Currently, the administration of the private landlord/commercial rent supplement program is delegated to Housing Connections. Program administration includes, among other things, the calculation of the RGI for each household and making monthly payments to each landlord. Legal agreements specify the funding relationship and the respective obligations of Housing Connections and the landlord.

Selection of tenants for the private landlord/commercial rent supplement program is through the centralized waiting list. The average rents for most units are at or below the average market rents as identified in the annual CMHC rental housing survey. Landlords increase rents by the Rent Increase Guideline, issued annually by the Province of Ontario.

The eligibility rules for this rent supplement program are the same as they are for the RGI program for all social housing in the City of Toronto. These rules are set by the Province under the HSA, along with rules developed by the City of Toronto.

2. Toronto Non-profit Rent Supplement Program

The Toronto non-profit rent supplement program is administered by social housing providers, including TCHC, pursuant to a rent supplement agreement.

This rent supplement program provides an RGI subsidy to qualified households living in what would otherwise be market rent units in social housing. Selection of tenants is through the centralized waiting list.

Market rents are established and agreed upon in accordance with the terms of the Rent Supplement Agreements between the providers and the City.

3. **Strong Communities Rent Supplement Program**

Under the Strong Communities rent supplement program, the Province provides \$20.2M annually in program funding until 2023. Units in this program are not counted in the City's Provincial RGI service level standards.

The program is administered by:

- private landlords and community agencies through Housing Connections; and
- non-profit social housing providers.

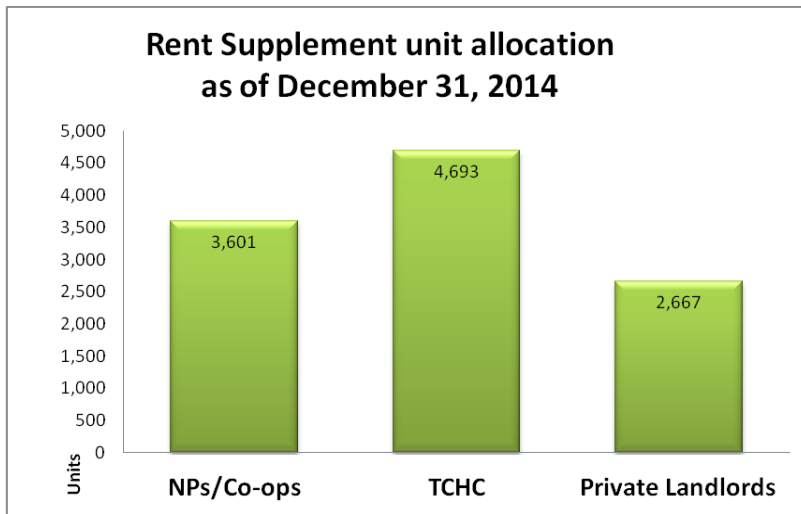
There are a number of special needs units allocated in this program, in accordance with the commitments made by the Ministries of Community and Social Services and Health and Long Term Care to their service agencies.

The Strong Communities rent supplement program is not indexed to inflation; there are no cost factor increases in the funding, so inflationary pressures must be managed by reducing the number of units funded or with the addition of City funds. In addition, landlords can increase rents annually by the Rent Increase Guideline.

Program Agreements and Expenditures

The 2015 budget for the three rent supplement programs listed above is \$88.4 million, administered through 235 agreements. In 2014, the allocation was \$88.8 million, covering 10,961 units (fluctuating tenant incomes and changes in market rents lead to expenditure changes year over year).

The following chart demonstrates that rent supplements are spread out across unit type, in non-profits and co-operatives, within Toronto Community Housing's portfolio and in private buildings:



Note: Units in private buildings are under both the Strong Communities and private landlord/commercial rent supplement programs.

Units in non-profits and co-ops are under both the Strong Communities and Toronto rent supplement programs.

Units in TCHC are only under the Toronto rent supplement program.

In Appendix A, rent supplement units are broken down by Ward with unit counts displayed for non-profits/co-ops, TCHC and private landlords. A map describing the distribution of rent supplements by Ward is included in Appendix B. This data is best captured by unit counts instead of rent supplement agreements, as there are far fewer rent supplement agreements (235) than there are units (10,961). For example, the City entered into a rent supplement agreement with TCHC; this counts as one agreement, but TCHC is responsible for 4,693 rent supplement units.

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ATTACHMENTS

Appendix A: Rent Supplement Units by Ward

Appendix B: Map of Rent Supplement Units by Ward

Appendix A: Rent Supplement Units by Ward

As of December 31, 2014

Ward	NPs/Co-ops	TCHC	Private Landlords	Total Rent Supplements
1		417	31	448
2	115	273	89	477
3			13	13
4	63		24	87
5		77	19	96
6	38		17	55
7		27	136	163
8			167	167
9		26	27	53
10	135	32	117	284
11	68	3	142	213
12	32		57	89
13	9	5	32	46
14	69	504	48	621
15	205	158	6	369
16			35	35
17	35	156	0	191
18	273	37	68	378
19	31	1	5	37
20	415	243	24	682
21	246		60	306
22	22	136	121	279
23			9	9
24	26		2	28
25	35		17	52
26	33		57	90
27	416	487	117	1020
28	217	817	169	1203
29	97	3	28	128
30	132	177	2	311
31	175	202	86	463
32	124	312	64	500
33	10		44	54
34			104	104
35		399	108	507
36	10		97	107
37	23		74	97

Ward	NPs/Co-ops	TCHC	Private Landlords	Total Rent Supplements
38	62	201	91	354
39			2	2
40	273		33	306
41			6	6
42	182		20	202
43	30		281	311
44			18	18
Totals	3,601	4,693	2,667	10,961

Appendix B: Map of Rent Supplement Units by Ward

