



AU4.5.1

October 18, 2019

Stephen Holyday
Chair, Audit Committee
Deputy Mayor & Councillor, Ward 2-Etobicoke Centre
City of Toronto

Dear Deputy Mayor Holyday:

RE: AU4.5 *Safeguarding Rent-Geared-to-Income Assistance: Ensuring Only Eligible People Benefit*

I write to you today in your capacity as the chair of the Audit Committee.

I was very upset to read Auditor General Beverly Romeo-Beehler's audit that raises incredibly troubling questions about the City's rent-geared-to-income assistance program and eligibility reviews.

While she cannot quantify the number of households improperly receiving rent-geared-to-income assistance, she does identify a number of factors that could indicate ineligibility including: undisclosed property ownership, unreported sources of income or assets, irregular, altered or falsified documents, and sub-letting or unauthorized occupants living in RGI units.

The \$385 million RGI program is funded specifically to help low-income residents have stable and affordable housing. This is an important program that is one of the many ways the City works to help keep life in Toronto affordable for all our residents.

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As the Auditor General notes, the vast majority of people who use RGI are eligible but even if 1% of current RGI households are ineligible, that's \$4 million that could be used to provide stable housing to more than 650 households who are waiting and actually eligible for this subsidy.

I know I speak for all Toronto residents in saying that I am absolutely shocked by the examples identified by the Auditor General that flagged potential ineligibility.

These examples are deeply disappointing and frustrating to every hardworking Torontonians – many who themselves are struggling with the high cost of housing.

We have worked relentlessly as a City to build more affordable housing in Toronto and help make sure people have a place to call home. That's why we have approved 7,350 affordable housing units over the last three years through the Open Door program. That's why through Housing Now we are taking 11 surplus City-owned sites and turning them into 10,000 new homes, including 3,700 affordable rental units.

But all these efforts are undermined when we don't have effective checks in programs like Rent-Geared-to-Income Assistance.

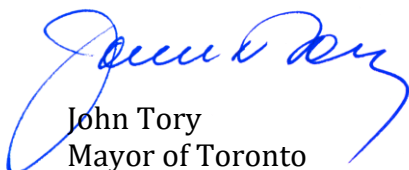
I know you will agree with me that we need to send a clear message at Audit Committee next week to those abusing the system: The free ride courtesy of taxpayers is over.

To that end, I believe it is important we focus the City bureaucracy on fixing this issue immediately.

To ensure City staff fully accept the recommendations of the audit and implement the necessary changes, and are seen to do so on a timely basis, I believe it is necessary to have a 30 day progress update on reviewing RGI files and responding to all other recommendations in the report following the Audit Committee meeting. These progress updates should continue every 30 days thereafter.

I thank you and the members of the Audit Committee for your consideration of this report next week and your commitment to addressing this issue as quickly as possible and your consideration of my request for a rapid and regular reporting schedule on the progress made on cleaning up this situation.

Sincerely,



John Tory
Mayor of Toronto

c. Chris Murray, City Manager