



REPORT FOR ACTION

Authority to Implement the New Canada-Ontario Housing Benefit Program

Date: April 27, 2020

To: City Council

From: City Manager

Wards: All

SUMMARY

In December 2019, the provincial and federal governments announced the Canada-Ontario Housing Benefit (COHB) program, a new funding program under the National Housing Strategy. The Province has confirmed Toronto's funding allocation for the first two years of the program, \$7.5M in 2020-2021 and \$9.9M (\$2.4M new funding) in 2021-2022. This is estimated to provide 1,300 households with a housing benefit to assist with rental affordability challenges. Benefit amounts are estimated to range from \$500 to \$1,200 per month, based on a formula set by the Province that uses information such as household income, household composition, and the local average market rent.

Housing benefits under COHB will be offered to households who have been on the centralized waiting list for rent-geared-to-income housing for a long period of time and households that fall within one of the priority groups. Priority groups include Indigenous people, persons with physical disabilities, and survivors of domestic violence and human trafficking. COHB recipients must agree to be removed from the centralized waiting list.

New funding through COHB is a very positive development for the City, as it will support ongoing efforts to address Toronto's complex and growing housing challenges, which include a rise in housing unaffordability. COHB provides households on the centralized waiting list with the option to receive rental assistance sooner. In addition, housing benefits are portable, providing households with the flexibility to stay in their current home or find housing in a preferred location, closer to employment, social support networks, child care, and schools, or move to other communities across Ontario.

The Shelter, Support and Housing Administration (SSHA) division will administer COHB. The purpose of this report is to provide the General Manager of SSHA with the necessary authorities to receive COHB funding throughout the program term of 2020 to 2029, enter into a Transfer Payment Agreement with the Province and implement the program.

As detailed further, program design and implementation will be guided by the program guidelines provided by the Province, which outline program requirements such as the benefit calculation formula, criteria for assessing initial and continued eligibility, and spending requirements.

Council approval is particularly important at this time, as the City responds to the COVID-19 pandemic and is rapidly implementing a range of critical housing stability measures. The provision of new housing benefits under COHB is an important component of these efforts.

RECOMMENDATIONS

The City Manager, recommends that:

1. City Council authorize the General Manager, Shelter, Support and Housing Administration, to enter into a Transfer Payment Agreement, or any other related service agreement(s) with any Ministry of the Government of Ontario, to facilitate the delivery of the Canada-Ontario Housing Benefit and, subject to the appropriate budget approvals, and any amendments to agreements allowing the extension of the term of the program beyond 2022, on terms and conditions satisfactory to the General Manager, Shelter, Support and Housing Administration, and in a form approved by the City Solicitor.
2. City Council authorize the General Manager, Shelter, Support and Housing Administration, to receive and utilize in accordance with program guidelines, administration payments of \$250 per approved Canada-Ontario Housing Benefit application or up to 5% of the funding allocation available from 2020 to 2022 for costs associated with ongoing staffing and general administration to implement the program.
3. City Council authorize the General Manager, Shelter, Support and Housing Administration, as appropriate, to enter into agreements or other suitable arrangements with other City of Toronto Divisions, Provincial Ministries, community agencies, private entities and/or individuals to deliver the Canada-Ontario Housing Benefit in accordance with the provincial program guidelines.

FINANCIAL IMPACT

The City's planning allocation under COHB is \$7,535,674 in 2020-2021 and \$9,873,970 (\$2,338,297 new funding) in 2021-2022. Allocation amounts for years 3 to 9 (2022-2029) have yet to be confirmed.

Under COHB, the Province is responsible for making monthly housing benefit payments directly to clients and therefore will retain this portion of the City's planning allocation. The remainder of COHB funding will flow to the City through quarterly reimbursement payments from the Province in the following two areas:

- *Administration Payments* - The Province will provide the City with \$250 for each new client enrolled (up to a maximum of 5% of annual funding), to assist with administration costs related to COHB.
- *Bridging Grants* - The Province will reimburse the City for bridging grants that it will be providing to a portion of eligible clients receiving a COHB housing benefit to assist with first and last month's rent.

SSHA will request an amendment to its 2020 Operating Budget with respect to funding received specific to administration and bridging grant costs under this program through a quarterly variance report.

COHB funding received in future years will be included in SSHA's operating budget as part of the annual budget process.

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

EQUITY IMPACT

Housing allowances funded through COHB will provide rental assistance to approximately 1,300 people from equity-seeking groups, including survivors of domestic violence and human trafficking and their families, Indigenous people, and persons with disabilities. The City's participation in COHB will assist low-income households on the centralized waiting list to access rental assistance more quickly, providing households with the flexibility to stay in their current homes or find more suitable housing.

DECISION HISTORY

At its meeting of July 16, 2019, City Council adopted *PH7.6 Activating Federal/ Provincial Funding to Increase Housing Options for Toronto Residents* which enabled the City's participation in the Canada-Ontario Community Housing Initiative and Ontario Priorities Housing Initiative. COHB is the third component of a bilateral agreement under the National Housing Strategy between the Canada Mortgage and Housing Corporation and the Ontario Ministry of Municipal Affairs and Housing.

The staff report and City Council decision can be accessed at the following link: [Activating Federal/ Provincial Funding to Increase Housing Options for Toronto Residents](#)

At its meeting of December 17 and 18, 2019, City Council adopted with amendments, *HousingTO 2020-2030 Action Plan*, as the framework to address Toronto's housing and homelessness challenges by 2030. This Plan includes a number of actions and targets to address critical needs across the housing spectrum including emergency shelters and transitional housing, social and supportive housing, market and affordable rental housing and homeownership.

The staff report and City Council decision can be accessed at the following link:
[HousingTO 2020-2030 Action Plan](#)

At its meeting of October 5, 2016, City Council adopted CD 14.10 authorizing the General Manager, SSHA to participate in the Province's Special Priority Policy Portable Housing Benefit Program, which included the receipt and expenditure of funding under the Survivors of Domestic Violence - Portable Housing Benefit pilot program.

The staff report and City Council decision can be accessed at the following link:
[Survivors of Domestic Violence - Portable Housing Benefit Pilot](#)

At its meeting of July 23, 2018, City Council adopted CD30.5, *Portable Housing Benefit - Special Priority Policy (PHB - SPP) Program Extension*, authorizing the General Manager, SSHA, to undertake necessary actions to continue participating in the Ministry of Housing's Special Priority Policy Portable Housing Benefit Program.

The staff report and City Council decision can be accessed at the following link:
[Portable Housing Benefit - Special Priority Policy \(PHB - SPP\) Program Extension](#)

COMMENTS

COHB is the latest funding program to be announced under the National Housing Strategy, with a focus on delivering housing benefits to improve rental housing affordability for people on a waiting list for subsidized housing.

The City received COHB program guidelines from the Province on March 2, 2020, which outlined program requirements such as the benefit calculation formula, criteria for assessing initial and continued eligibility, and spending requirements. These requirements will govern the City's implementation of COHB, as outlined below.

Portable Housing Benefits

A portable housing benefit is a monthly subsidy provided to low-income households to assist with housing costs. Unlike other forms of housing assistance such as rent-geared-to-income assistance, a portable benefit is tied to the household and not to a physical housing unit, allowing the benefit to move with the household anywhere in Ontario.

As a result, recipients have more flexibility to choose where they live and can be closer to family, social support networks, schools and employment opportunities. Additionally, it enables people who face affordability challenges with their current housing to remain in their homes. This flexibility provides low-income households with more housing options that meet their individual needs and supports the City's efforts to promote mixed-income communities.

The City currently administers portable housing benefits to over 5,800 households through provincial/federal funding under three programs: the Social Infrastructure Fund, the Investment in Affordable Housing-Extension, and the Ontario Priorities Housing Initiative. Over the next two years, the City will provide an additional 2,400 benefits under the Ontario Priorities Housing Initiative.

The Ontario Priorities Housing Initiative is another new funding program launched as part of the National Housing Strategy, with committed funding up to 2022. SSHA will be delivering COHB and the Ontario Priorities Housing Initiative simultaneously, where the latter will continue to serve people experiencing chronic homelessness and COHB will support households on the centralized waiting list including identified priority groups.

It is projected that COHB will enable the City to provide portable housing benefits to 1,300 more households. COHB is distinct from existing housing benefit programs, as recipients must agree to be removed from the centralized waiting list. In addition, current housing benefit programs provide fixed-amount benefits ranging from \$250 to \$600, whereas COHB housing benefits are projected to range from \$500 to \$1,200 per month as they will be calculated using a formula set by the Province that considers household income.

More specifically, the COHB benefit amount is calculated based on the difference between 80% of Average Market Rent, as reported by the Canada Mortgage and Housing Corporation, and 30% of the client's annual household income (Adjusted Family Net Income). The benchmark of 30% is the current standard for affordability, as it enables households to manage other costs that support social and economic prosperity, such as spending on healthy food, transportation, and education.

Assisting People on the Centralized Waiting List

To be eligible for a portable housing benefit under COHB, households must meet the eligibility requirements set by the Province in the program guidelines, including residing permanently in Ontario; being on, or eligible to be on, the centralized waiting list; and not being in receipt of any government-funded housing benefit (i.e. rent-geared-to-income assistance or a housing allowance). Additionally, households must consent to being removed from the centralized waiting list for subsidized housing.

Toronto's centralized waiting list has an average wait time of 7 to 12 years depending on the unit size requested. While waiting, households may be in unstable and unsuitable housing circumstances, such as being under-housed or spending a high portion of their income on housing costs.

COHB will focus on providing housing benefits to eligible households on the City's centralized waiting list for subsidized housing who have been waiting for a long period of time and households who fall within one of the priority groups. Although this is a positive advancement, COHB funding will only serve a small fraction of households on the centralized waiting list and will not significantly reduce wait times or meet the scale of need in Toronto.

In adherence with COHB program guidelines, the following household types will have priority for COHB support:

- Survivors of domestic violence and human trafficking

The Province is transitioning the portable housing benefits provided to survivors of domestic violence or human trafficking under the Special Priority Policy program, into the COHB program. All households receiving assistance under this program will continue to be eligible for the benefit until June 2020, and then will transition to COHB through a renewal process commencing in May 2020. In addition, all new applicants to the centralized waiting list who qualify for Special Priority Policy status will have the option to receive a COHB benefit or remain on the centralized waiting list.

- Persons with physical disabilities

Persons with physical disabilities, including seniors, may face challenges in accessing housing due to a lack of housing units that are modified and/or wheel-chair accessible. A portable housing benefit will provide persons with disability more flexibility in where they live. This includes the option to stay in their current home, which may be unaffordable but already accessible or modified to meet their individual needs.

- Indigenous people

SSHA is committed to working in collaboration with Indigenous partners to provide housing and homelessness services that meet the unique needs and priorities of Toronto's Indigenous communities. As part of these efforts, SSHA will target a portion of COHB housing benefits to Indigenous households and work with its Indigenous partners to co-develop processes for household selection and benefit administration.

Program Implementation and Targets

Under COHB program guidelines, the City is responsible for conducting outreach to eligible households and processing applications on behalf of clients, while the Province is responsible for receiving applications, calculating benefit amounts and administering payments directly to recipients. The Province can start accepting applications for benefits as early as April 2020.

Following Council approval of this report, SSHA will begin implementing the COHB program. It is estimated that 1,300 households will be supported through COHB Year 1 and 2 allocations, with full enrollment targeted by the end of Year 1 (March 31, 2021).

SSHA's implementation plan will include:

- Entering into a Transfer Payment Agreement with the Province outlining funding allocations, as well as roles and responsibilities of related ministries and the City.
- Communication and outreach to inform eligible households of the new program and information on the application process.
- Development of online tools and resources to ensure recipients can access and submit applications remotely in order to support physical distancing measures.

- New procedures and tools to process applications once households express interest and remove successful applicants from the centralized waiting list.

Conclusion

The provincial and federal governments continued investment in the community housing sector through new housing benefits under COHB is a very positive development for the City, as it will support ongoing efforts to provide housing options and supports that better meet Toronto's diverse housing needs.

This report has requested authorization for the General Manager, SSHA, to receive funding under COHB and enter into agreements with the Province and other relevant organizations required for program implementation.

Through the adoption of this report, SSHA estimates that it will provide rental assistance to approximately 1,300 households who are on the centralized waiting list and experiencing challenges with housing affordability, to either make their current home more affordable or to obtain more affordable housing anywhere in Ontario.

Council approval is particularly important at this time, as the City responds to the COVID-19 pandemic and is rapidly implementing a range of critical housing stability measures. The provision of new rental assistance under COHB is an important component of these measures.

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SIGNATURE

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