



Report to: Program Planning Committee

From: Donna Stewart, Director of Integrated Social Services
Anne Quenneville, Ontario Works Program Supervisor

Date: May 23, 2018

Re: Housing Benefit - Issue Report

Background

The Manitoulin-Sudbury District Services Board has been administering the DSS program for over 10 years now. The program has been as a result of municipal and provincial funding through the Community Homelessness Prevention Initiative (CHPI) and the Investment in Affordable Housing Fund (IAH).

Federal Canada Housing Benefit

The Federal government has announced a Canada Housing Benefit that would provide 300,000 households with financial assistance. The Federal government will allocate \$4 billion for the Canada Housing Benefit, which will help families by providing an average rent subsidy of \$2,500 annually beginning in April 2020 and concluding in 2028.

There are no specific details on how the Canada Housing Benefit would be calculated but at an average rent subsidy of \$2,500 annually that will provide \$208 per month and the current DSB program already pays to a maximum of \$3,600 annually or \$300 monthly.

Provincial Portable Housing Benefit

Ontario will be launching the Portable Housing Benefit program to help people find safe and affordable housing beyond traditional rent-geared-to-income (RGI) social housing assistance.

A portable housing benefit is a monthly subsidy (housing allowance) provided to a low-income household to assist with housing costs. Unlike other forms of housing assistance, the benefit is tied to the household and not a physical housing unit allowing the benefit to move with the household. The portable housing benefit would give people more flexibility to choose where they live, while encouraging economic and social inclusion.

The portable housing benefit framework would provide an alternative tool for Service System Managers to use to provide housing assistance alongside RGI assistance. A portable housing benefit may be the best form of assistance for some households while others may benefit more from RGI assistance.

Generally, the amount of a portable housing benefit is calculated on the difference between at least 80 per cent of the Canada Mortgage and Housing Corporation (CMHC) Average Market Rent (AMR) for an appropriately sized rental unit, based on household composition, and 30 percent of the household’s adjusted family net income (AFNI).

| |
|--|
| $\text{Monthly Portable Benefit Amount} = (\text{AMR} \times 80\%) - \frac{\text{AFNI} \times 30\%}{12}$ |
|--|

On an annual review, adjusted family net income (AFNI) is equal to the net income of each member of the household aged 16 and older, excluding dependents attending a recognized educational institution.

The portable housing benefit only accounts for the actual rent paid and **does not** include any additional amounts paid by the tenant for heat, hydro or other utility costs. This is of particular concern in Northern Ontario where natural gas is not available in many communities and Hydro One rates are exorbitant. In addition, creating a Provincial Portable Housing Benefit that **does not** include the additional cost of heat and utilities paid by tenants, in addition to rent, is a real concern for Northerners.

Comparing the Provincial PHB with the DSB’s DSS program

The Manitoulin-Sudbury DSB is currently offering a very similar program to the residents in the Manitoulin-Sudbury District. The biggest difference between the two programs is that the PHB does not consider the actual cost of accommodations paid while the DSS program does account for the total actual cost of accommodations paid for by the tenant including heat, hydro and any other utilities.

The current DSS program is funded through a mix of municipal dollars as well as provincial dollars. The breakdown is as follows:

| Program | Amount |
|--|--------------------|
| Municipal | \$ 149, 083 |
| Community Homelessness Prevention Initiative | \$ 295, 268 |
| Investment in Affordable Housing Fund | \$ 121, 678 |
| TOTAL | \$ 566, 029 |

We are currently providing Direct Shelter Subsidy to approximately 180 families with these funds.

If the province informs us that we can no longer operate the DSB Direct Shelter Subsidy program and that we must abide the Portable Housing Benefit formula, it would have the following affects on our current **180 Families** receiving DSS:

- 32 Families or 18%:** would loose their housing benefit
- 94 Families or 52%:** would qualify for the PHB benefit but at a much-reduced rate because any amounts paid by the tenant for heat, hydro or other utility costs utilities are not included in PHB
- 15 Families or 8%:** would see no change as their rent includes all utilities
- 39 Families or 22%:** would be at an advantage with the PHB however the amount of money allocated to them would not include the full shelter costs.

Conclusion

Based on our current analysis **126 families or 70%** of the 180 families currently receiving Direct Shelter Subsidy would be worse off if the provincial Portable Housing Benefit rules became mandatory.

Staff are recommending that the Board encourage the Federal and Provincial governments to ensure flexibility within their proposed Federal and Provincial Housing Benefits.

Creating a Provincial Portable Housing Benefit that **does not** include the additional cost of heat and utilities paid by tenants, in addition to rent, is a real concern for Northerners.

This is of particular concern in Northern Ontario where natural gas is not available in many communities and Hydro One rates are exorbitant. A one size fits all does not work well for Northern Ontario, particularly for small rural and remote communities whose existing resources are stretched to the maximum.