



Report To:	Property Committee
From:	Donna Stewart, Director of Integrated Social Services and Rhonda McCauley, Social Housing Program Supervisor
Date:	November 27, 2019
Re:	Direct Shelter Subsidy - Issue Report

Purpose

To provide the Board of an analysis of the Direct Shelter Subsidy (DSS) that the Manitoulin-Sudbury District Services Board (DSB) offers to low income families and the positive impact that this program has on those families.

Background

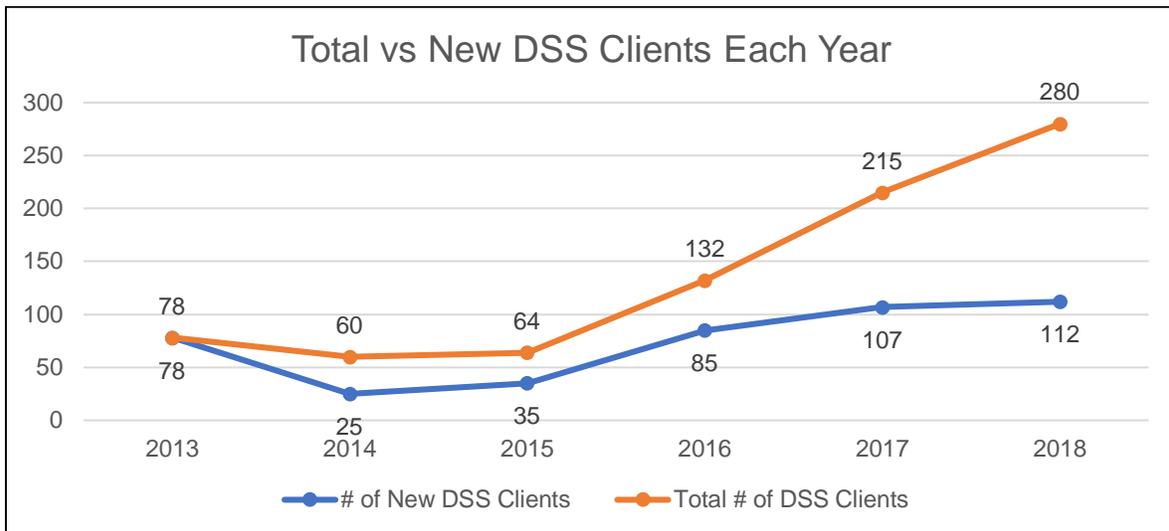
The Direct Shelter Subsidy is designed to help low-income families and clients on social assistance who are on the Manitoulin-Sudbury District Services Board Housing waitlist, access a variety of housing options. This program gives priority to applicants living in areas of our DSB where no publicly funded housing is available. The program is also available to seniors age 65 and over, who own their own homes and who meet the eligibility guidelines for Social Housing. The DSS program considers all aspects of shelter costs, including utilities, in determining the benefits payable to eligible clients.

For low income families, the Direct Shelter Subsidy provided is calculated by determining the difference between the rent geared to income calculation (using 30% of the client's total net income) or affordable housing calculation and the actual rent of the unit they are residing in or a unit that they may be moving to. For Non-Social Assistance recipients, the 30% Rent Geared-To-Income (RGI) calculation factor is used to determine the affordability for the household. For purposes of calculating income, all net income is considered; including but not limited to child/spousal support and Canada Child Tax Benefit. This ensures that the family's net income is taken into consideration when reviewing all accommodation expenses.

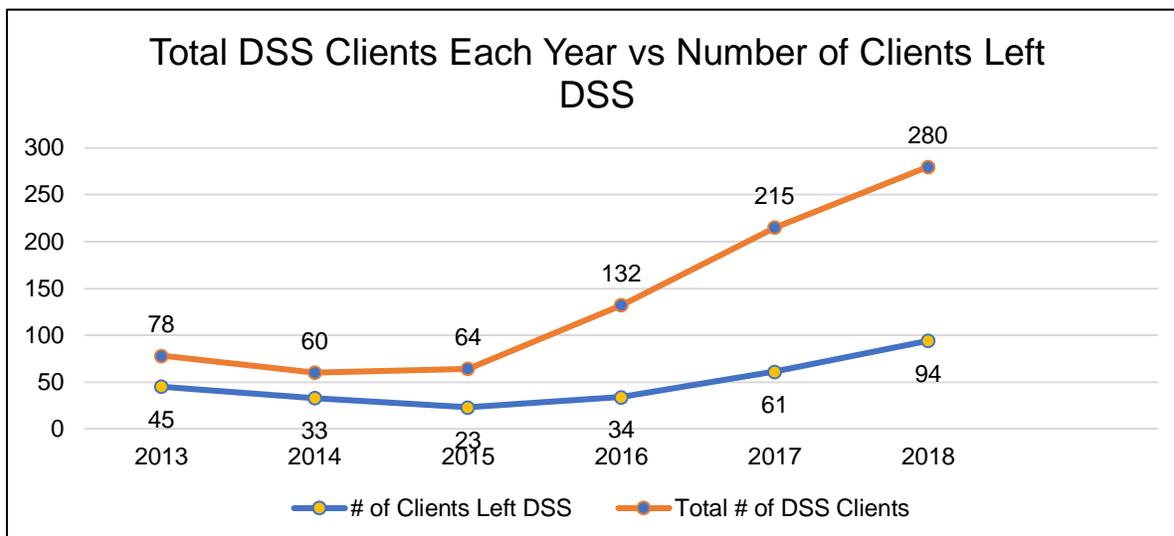
The benefit is also portable to allow greater flexibility and responsiveness to their changing needs and the choice of location, school districts and employment opportunities, without being tied to a specific unit within the DSB catchment area.

Analysis

A review of the DSS program in the Manitoulin-Sudbury DSB was conducted with data collected between 2013 and 2018. A review of this data in chart below shows there has been an increase in the total number of DSS clients from 78 (2013) to 280 (2018); this increase can be attributed to an increase in DSS program funding. Further, the number of new clients has increased within the same time period, from 78 in 2013 to 112 in 2018. This means that in 2018, **40%** of DSS clients were new to the program while the remaining 60% had previously accessed the program.



While the number of clients on DSS has increased, the number of clients that have left the program has fluctuated (see below). In 2013, of the 78 clients accessing DSS, approximately 58% left the program. In 2016, where there were 132 clients accessing DSS, the number of clients that left the program dropped to almost 26%. As of 2018, the number of clients that left the DSS program had started to increase, where almost 34% of DSS clients left the program by the end of the year.



The majority of clients accessing DSS stay on DSS for 1 to 6 months (**39.6%**), with only **6.4%** of clients on DSS for 31 months or longer. Only **3%** of clients were on DSS for longer than 49 months (considering data only between 2013 and 2018). See chart below.

Number of Months on DSS	# of Clients	% of Clients
1 to 6 months	175	39.6%
7 to 12 months	85	19.2%
13 to 18 months	64	14.5%
19 to 24 months	51	11.5%
25 to 30 months	39	8.8%
31 to 36 months	6	1.4%
37 to 42 months	6	1.4%
43 to 48 months	3	0.7%
49 months and higher	13	2.9%
Total	442	-

The chart below shows the number and percent of clients in Social Housing by the number of months they have been living in Social Housing. The data covers leases that start as early as 1989 and run until December 31, 2018. 13 clients were not included as their lease dates started in 2019.

Number of Months in Social Housing	# of Clients	% of Clients
Less than 1 month	5	2.0%
1 to 6 months	24	9.5%
7 to 12 months	11	4.3%
13 to 18 months	10	4.0%
19 to 24 months	11	4.3%
25 to 30 months	20	7.9%
31 to 36 months	12	4.7%
37 to 42 months	14	5.5%
43 to 48 months	11	4.3%
49 months and higher	135	53.4%
Total	253	-

On average, clients are on DSS for at least **13.5 months**. The analysis on tenants in Social Housing revealed, on average, tenants lived in social housing buildings for almost **75 months, or over 6 years**. This reveals that tenants stay in Social Housing almost 6 times longer than recipients on Direct Shelter Subsidy.

Considering the DSS program within the time period of 2013 to 2018, **58.4%** of DSS clients had left the program by the end of 2018. Of these clients, **13.3%** did not access social assistance after leaving DSS. Of the clients that did access social assistance after leaving DSS, **38.7%** were no longer accessing social assistance by the end of 2018. In total, 120 clients (or **46.9%**) that left the DSS program were not accessing social assistance by the end of 2018.

A single person on Ontario Works receives \$ 733/month, \$8,796 annualized. If you multiply that amount by the 120 people who left the DSS program and no longer accessing social assistance, this **saves the province \$ 1,055,520 annually**. With this analysis, one can see that the DSS program has significant long-term savings.

The DSS program has proven to be very successful in ensuring people are housed while they tend to other challenges that they may be having. The data demonstrates that **46.9%** of former DSS recipients are no longer on social assistance.

Difference between DSS and Portable Housing Benefit (PHB)

Currently in our Social Housing units, the rent includes heat and utilities. In circumstances that the heat and utilities are not included as part of their payment, there is a risk of tenants getting their hydro cut off for non-payment or that the units have damages to them.

The Portable Housing Benefit provides a monthly subsidy to low-to-moderate income households to assist with housing costs. The PHB is tied to the household itself and not a physical housing unit. Similar to the DSS program, recipients have flexibility to choose where they live to be closer to family, social support networks, schools and employment opportunities.

Monthly payments to participants are calculated based on household income, as reported on households' latest Canada Revenue Agency notice(s) of assessment, or as verified by Service System Managers in certain circumstances. The Ministry of Finance pays the benefit to participants each month, recalculate the benefit as required, and verify continued eligibility annually.

The formula for this benefit would be the difference between a minimum of 80% of the average market rent (AMR) for the Service Manager area based on Canada Mortgage and Housing Corporation (CMHC) rent data for an appropriately sized unit based on household composition and 30% of the household's monthly Adjusted Family Net Income (AFNI). According to CMHC rent data for the Manitoulin-Sudbury DSB, the AMR would be \$646 which would mean that the benefit would be calculated based on 80% of that figure, \$517. This is not a true reflection of the current reality for AMR in the Manitoulin-Sudbury DSB.

Conclusion

The Portable Housing Benefit does not include all shelter expenses and it is essentially a provincial cookie cutter approach with no room for any local flexibility. If the province informed the Manitoulin-Sudbury DSB to calculate the Direct Shelter Subsidy in the same fashion as the Portable Housing Benefit, **70% of our current recipients would not qualify for a portable housing benefit.** A one size fits all solution does not work in Northern, Remote and/or Rural Ontario.

The vision of a rent supplement is associated with two overarching outcomes: decreasing the number of people who are homeless; and increasing the number of families and individuals achieving housing stability. Based on the difference between the Direct Shelter Subsidy and the Portable Housing Benefit, the DSS program pays for the full shelter expenses, ensures that families have stable housing and are able to focus on other challenges that they may be facing.

The Direct Shelter Subsidy reduces the overall cost factor by eliminating the need for ongoing operating dollars that are a requirement of having bricks and mortar. Although the Manitoulin-Sudbury DSB recognizes that when finances allow, the addition of housing units in the portfolio is essential to ensuring that our residents have access to affordable housing, having the ability to administer the DSS Program is essential in our role in reducing homelessness.

Recommendation

The Manitoulin-Sudbury DSB staff are recommending that the province allow local flexibility as they negotiate the creation of a Canada-Ontario Portable Housing Benefit as one size doesn't fit all in Northern, Remote and/or Rural Ontario. The Direct Shelter Subsidy program has proven itself in helping clients become self-sufficient, resulting in significant annual social assistance savings the Province.

Appendix A

The 2020 Direct Shelter Subsidy (DSS) program is funded through a mix of municipal dollars as well as provincial dollars. The breakdown is as follows:

Program	Amount
Municipal	\$ 418, 395
Community Homelessness Prevention Initiative	\$ 295, 268
Investment in Affordable Housing Fund	\$ 128, 396
TOTAL	\$ 842, 059