



INFORMATION REPORT

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	January 22, 2018
SUBJECT/REPORT NO:	Amendments to Housing Services Act, 2011 - Portable Housing Benefit Framework (CES18001) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

Council Direction:

Not applicable

Information:

As Service Manager under the *Housing Services Act, 2011* (the "Act"), the City of Hamilton has responsibility for funding and overseeing social housing programs delivered by 43 non-profit and co-operative housing providers as well as various rent supplement programs. At present, funding is directed to specific housing providers in accordance with the applicable social housing program and a prescribed number of units are targeted for each program.

On September 1, 2017, Regulation 367/11 of the Act was amended to create an optional framework to allow Service Managers to fund portable housing benefits (PHB). Through this framework, Service Managers have the option to offer a locally-funded rent-gear-to-income benefit to low-income households paid directly to the household and not tied to a physical housing unit. The PHB is an optional tool for Service Managers to assist households on the wait list together with the traditional RGI system.

The PHB would allow people to choose where they live in the City, potentially contributing to greater social inclusion and more mixed-income communities. However, the PHB is neither a new provincial funding program nor a requirement for Service Managers. It does not replace the need for existing RGI assistance or the requirement for Service Managers to support physical units. The PHB is not portable across the

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province and participating households are required to be selected from the local centralized waitlist system.

Key points of the new PHB framework are:

- That any PHB created under this framework is Service Manager funded and there is no obligation on the Service Manager to move to PHBs or increase social housing funding beyond the current levels;
- Increased flexibility for Service Managers in achieving its legislated service level standards;
- Increased flexibility for Service Managers in managing the broader social housing system by enabling subsidies to become “portable” rather than tied to physical units; and,
- Simplified annual income eligibility reviews for Tenants by moving away from monthly changes in rent to an annual income test to calculate benefits using income tax information.

Service Level Standards

The Act establishes rent-geared-to-income obligations for Service Managers, known as service level standards that are accomplished by managing the mix of RGI and market rent units in various housing projects. The City is currently required to provide RGI housing assistance to 9,257 households at or below the housing income limit. Each housing project, in turn, has a distinct “market-to-RGI unit” ratio for which the housing provider is required to target. For example, “public housing” projects, which are part of CityHousing Hamilton’s portfolio, target 100% RGI households whereas “municipal non-profit” housing projects (also part of CHH’s portfolio) targets 50% RGI and 50% market rental units.

Hamilton does not currently achieve its service level standards. It provides RGI assistance to approximately 8,600 households. This is simply because households that experience an increase in income or certain changes in household composition may no longer meet RGI eligibility and, as such, are required to pay market rents but are not required to move. Market rents in social housing were established by provincial guidelines and are indexed annually. They are generally at or below 80% of CMHC’s reported average market rents for Hamilton. The converse does not happen. Households currently paying market rents in social housing do not automatically start receiving the benefit of RGI and, instead, must apply through the centralized wait list.

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Portability

The current system of targeting program funding directly to housing providers means that households requiring rent-geared-to-income (RGI) assistance have to live in specific housing units operated by specific housing providers.

Portability of a subsidy means that the benefit is provided directly to an individual rather than a housing unit, which is the model associated with the traditional social housing/rent-geared-to-income system. Portability gives people the advantage of choosing their own homes based on their personal needs and circumstances.

Currently, the City provides a form of portable housing allowance to some households from the centralized wait list. The City pays a flat rate housing allowance directly to an approved participating landlord in an amount determined by program and/or household composition and income. The household pays the difference. The landlord must be providing a legal unit within affordable rents (i.e. at or below average market rent) and the City maintains a relationship with both the tenant and the landlord.

The new PHB framework requires full portability within the municipality, with benefits paid directly to households. Although fully portable housing benefits are a person-centred method to assist households with housing affordability, traditional rent-geared-to-income social housing is still needed. For example, households receiving a portable benefit directly will need to find their own housing from the private market. Depending on the rental market, this could result in higher subsidies paid by the City.

The traditional social housing system also better ensures equity for individuals obtaining housing through a coordinated access system. Housing providers are required to select tenants from a fair and equitable system and the method of selection is monitored. Providers may be challenged and penalized for failing to comply with the system. Private landlords are subject to the Ontario Human Rights Code but some individuals may not be aware of their rights, recognize violations or lodge complaints. In addition, some households may miss out on the various support programs available through the City's housing providers. Despite some advantages, the PHB may not be a suitable alternative for everyone.

Next Steps

In early 2018, staff will begin consultation with housing providers, tenants, service providers, community partners and other City staff to assess and determine whether or not PHBs are a suitable and viable option to implement in Hamilton. Considerations would include, among other things:

- Whether or not certain household types (e.g. seniors, persons with disabilities, families) are more appropriately suited to PHBs than others based on availability of appropriate housing inventory within the broader market vs. the social housing system;
- How to ensure that additional supports can be readily accessed by individuals living outside of the social housing system;
- Options for piloting or testing a system of PHBs;
- Administrative considerations; and,
- Whether or not PHBs could represent a cost-effective alternative for some current City funded traditional social housing programs.

Any resulting recommendations about implementing a system of PHBs in Hamilton will be brought forward for review and consideration to the Emergency and Community Services Committee.

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