




CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Housing Services Division

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	November 16, 2023
SUBJECT/REPORT NO:	Housing Stability Benefit and Rent Ready Programs Transformation (HSC23067) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Michelle Baird Director, Housing Services Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That Council approve the cancellation of the existing Housing Stability Benefit and Rent Ready programs totalling \$4.0M and the Provincially funded Homelessness Prevention Program (HPP) program of \$979,910 to be transformed into one modernized program to be named, Housing Emergency Fund, following program parameters outlined in Appendix "A" to Report HSC23067.
- (b) That the program funding be increased by an additional \$3.75M to be referred to the Housing Services 2024 Tax Operating Budget for Council consideration to support the following:
 - (i) That approximately \$3.56M be directed to expand reach and deepened supports for clients of the revised program;
 - (ii) That the Housing Services Division's budgeted 2024 complement be expanded by 2.0 FTE (full-time employee) Housing Support Workers to accommodate increase and complexity of applications with an approximate annual cost of \$190K.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

- (c) That Council approve cancellation of the unutilized Appliance Repair Program and allocate that program's budget of \$25,100 into the total budget for the new Housing Emergency Fund.

EXECUTIVE SUMMARY

The Housing Stability Benefit and Rent Ready programs have been essential in helping residents in Hamilton with low income or in receipt of social assistance maintain or acquire housing. The Housing Stability Benefit program was established in 2013 as a Council approved local solution to replace the former Community Start-Up and Maintenance Benefit under Ontario Works, which was eliminated by the Ministry of Children, Community and Social Services. The financial supports available through the Housing Stability Benefit program have not been increased since it was launched in 2013. The Rent Ready program was established during the pandemic to address an unprecedented increase in people requiring emergency rental supports to prevent homelessness. There continues to be high demand for a housing stability program that offers deep financial support far exceeding existing Housing Stability Benefit limits in an increasingly unaffordable housing market. This report proposes a single revised program, Housing Emergency Fund, that allows for increased flexibility of funding to stabilize rental tenancies while maintaining program sustainability.

Alternatives for Consideration – See Page 10

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Recommendation (b) is requesting an increase in the levy base for the new proposed Housing Emergency Fund by \$3.75M, in order to meet current community need. Recommendation (a) and (c) request changes to the existing levy base programs to operate under the new HEF guidelines, with a levy base of \$5.25M reallocated to the new Housing Emergency Fund. If recommendations (a) to (c) are approved, the total revised budget is \$9M which supports the total forecasted program need and staffing expenses, including a projected increase in applications and accompanying intensive case support. In addition, the revised budget offsets the elimination of a \$500K contribution from Hamilton Water beginning with 2024 tax year, as approved in General Issues Committee Report FCS23045.

The 2023 Housing Stability Benefit and Rent Ready existing budget sources are outlined in Table 1 below:

Table 1: 2023 Existing Budget for Housing Stability Benefit and Rent Ready and the new proposed Housing Emergency Fund (HEF):

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Program	Budget Source	2023 Amount Various	2024 Amount HEF
Housing Stability Benefit (HSB)	Levy	\$2,954,930	\$0
Housing Stability Benefit (HSB)	Homelessness Prevention Program (Province)	\$979,910	\$0
Rent Ready (RR)	Levy	\$1,045,040	\$0
Utility Arrears*	Water, wastewater and stormwater Rate Supported Budget	\$500,000	\$0
Appliance Repair Program	Levy	\$25,100	\$0
Administration	Homelessness Prevention Program (Province)	\$273,956	\$282,175
Recommendation (a)	HSB and RR Levy		\$3,999,970
Recommendation (a)	HSB Homelessness Prevention Program (Province)		\$979,910
Recommendation (b)	Levy Enhancement		\$3,560,000
Recommendation (b)	Levy Enhancement Admin		\$190,000
Recommendation (c)	Levy – Appliance Repair Program		\$25,100
Total		\$5,778,936	\$9,037,155

*Eliminated effective January 1, 2024

Staffing: Administration of the program to meet current volume and complexity of demand requires the addition of 2.0 permanent Housing Support Worker FTEs within Housing Services Division’s budgeted complement at a cost of approximately \$190K for salary and benefits in 2024.

Legal: N/A

HISTORICAL BACKGROUND

On March 27, 2012, the Province announced the elimination of the Community Start-Up and Maintenance Benefit from the Ontario Works and Ontario Disability Support Program Programs as part of the 2012 Provincial Budget.

At the December 10, 2012, Emergency and Community Services Committee, launch of the new Housing Stability Benefit was approved as outlined in Report CS12031(a) – Community Homelessness Prevention Initiative. The Housing Stability Benefit was

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designed to provide financial assistance at the same level and with the same eligibility criteria as Community Start-Up and Maintenance Benefit for the first six months of 2013. This program intended to address housing stability and homelessness prevention for those receiving social assistance.

On February 23, 2015, the Community and Emergency Services Committee approved CES15008 with recommendations to streamline spending in the Housing Stability Benefit program by merging the Rent Bank with the Emergency Energy Fund within the Housing Stability Benefit. In addition, the program was expanded to allow applications from people with low incomes who are not in receipt of social assistance. Administration processes were established such that Hamilton residents receiving Ontario Works apply for the program through the Housing Services Division while those receiving Ontario Disability Support Program benefits or who have low incomes apply through Housing Help Centre.

On December 12, 2016, Community and Emergency Services Committee received CES16068 where Housing Services provided an update regarding funding pressures for the Housing Stability Benefit and an immediate mitigation plan to remain within budget.

In 2018, the Housing Services Division completed an internal review of the Housing Stability Benefit program suggesting cost savings around funding for household items and process improvements for consolidation of some program administration activities.

On December 10, 2020, Emergency and Community Services Committee approved a motion to create the Rent Ready program as a temporary Housing Rent Bank based on increased need for rent and housing stability supports to prevent evictions during the pandemic with a budget of up to \$500K.

On October 13, 2021, Council approved through a notice of motion, an additional \$1M be allocated to the Rent Ready program, redirected from unused Housing Stability Benefit funds.

On May 31, 2023, General Issues Committee approved Report FSC23045, which recommended that \$500K allocated to Housing Stability Benefit through the water, wastewater and stormwater Rate Supported Budget be repurposed into a Water and Wastewater Rebate Program for Low Income Persons.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

There are no legislative implications for this program.

RELEVANT CONSULTATION

A jurisdictional scan of similar housing stability benefit programs offered by other Ontario municipalities was conducted (See Appendix “B” to Report HSC23067) to compare program eligibility and depth of support offered.

Consultation was conducted with internal staff delivering the Housing Stability Benefit and Rent Ready programs and with administration partners at Housing Help Centre to understand trends in applications and inquiries, challenges in delivering these programs, and opportunities for improvement. A comparative program analysis of Housing Stability Benefit, Rent Ready, and the proposed Housing Emergency Fund is summarized in Appendix “A” to Report HSC23067.

Staff in Children’s and Community Services Division were engaged to pursue integration with the City’s Home Management Program.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Hamilton’s existing Housing Stability Benefit was established as a program of Housing Services Division in 2013 to replace the Community Start-Up and Maintenance Benefit previously offered through the Ontario Works and Ontario Disability Support Programs. The intent of the program is to support people experiencing housing crises to prevent homelessness and to stabilize viable tenancies. However, the current payment threshold of up to \$800 for single people and couples and up to \$1500 for a family have not been adjusted since the Housing Stability Benefit program began a decade ago. The current scarcity of affordable housing means that it has become increasingly more difficult to ensure the sustainability of a tenancy or secure a new rental, especially for those on social assistance or with incomes below the Low-Income Measure. A new revised program is needed to better address the scale and depth of need experienced by renters with low incomes in Hamilton.

Data from the 2021 census show that 13% of all Hamilton households are living with core housing need (paying more than 30% of their income on shelter costs). This percentage is 76% for people with very low income represented by people in receipt of social assistance. The Rent Ready program was created at the end of 2020 to address the heightened level of need experienced as people lost their jobs and were unable to pay rent during the COVID-19 pandemic. The Rent Ready program provides access to deeper support for rental arrears, utility supports, and last month’s rent while allowing for greater flexibility in how those funds are allocated compared to the Housing Stability Benefit. In 2022, 1,491 households received funding through the Rent Ready program, with the majority receiving amounts beyond the maximum available through the Housing Stability Benefit, which served 3,315 households. Staff report that applicants to Rent Ready often present with thousands of dollars in arrears and at immediate risk of eviction. The recommended payment threshold for the new Housing Emergency Fund of \$3000-\$7000, depending on household size, aims to build on the need identified

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through the Housing Stability Benefit and Rent Ready programs and anticipates greater demand as these supports are streamlined, through a single program. Recipients of Rent Ready would have received their full Housing Stability Benefit payment (\$800 for single individuals or couples with no children, or \$1,500 for families) in addition to payments they received through Rent Ready, averaging \$1,408 for singles, \$2,247 for couples and \$2,233 for families, with 59% of program funds in 2022 going towards rental arrears (see Table 3 below for breakdown). In many instances, the amount requested by applicants was in excess of the cumulative maximum allowable amounts under Housing Stability Benefit & Rent Ready, leaving a portion of the applicants request going unaddressed. This is evidence of the need for deeper supports and confirmation that without the Rent Ready program, those households would not have access to the financial resources needed to stay housed or secure housing. In 2022, because of demand for the Rent Ready program and budget surplus for the Housing Stability Benefit, funds were redistributed to the Rent Ready program to meet increased demand for a greater depth of support. It is anticipated that the new Housing Emergency Fund would serve upwards of 2,000 people a year. Without the deeper support provided by the recommended payment thresholds, Hamilton could see a sharp increase in the number of people experiencing evictions and homelessness.

Table 3: Breakdown of 2022 Average Benefits Received by Household Size & recommended threshold under Housing Emergency Fund

Household Size	Housing Stability Benefit Maximum	Average Rent Ready Amount Received in 2022	Total Average Benefit Amount Received in 2022	Housing Emergency Fund Recommended Maximum Payment Threshold
Single	\$800	\$1,408	\$2,208	\$3,000
Couple	\$800	\$2,247	\$3,047	\$4,000
Family (3 people)	\$1,500	\$2,233	\$3,733	\$5,000
Family (4 people)	\$1,500	\$2,233	\$3,733	\$6,000
Family (5+ people)	\$1,500	\$2,233	\$3,733	\$7,000

* Amounts listed in this table are averages for each household size. Exact household size for families is not specified in 2022 reporting data. Some people would not have received the full maximum amount and some would have received special consideration for amounts well above the maximum and still not have had their full needs met.

The City of Hamilton must balance the need to provide adequate financial supports that are sufficient towards stabilizing housing while ensuring program sustainability and fiscal responsibility. The jurisdictional scan conducted of housing stability or rent support programs offered by other municipalities in Ontario identified that other municipalities are facing similar challenges. Municipalities are seeing increased demand for rent

supports due to insufficient accommodation allowances through social assistance, increased rent prices, and limited availability of affordable housing. Of the ten municipalities surveyed, the supports that Hamilton provides through the Housing Stability Benefit are lower than comparator communities. Only Niagara Region and Wellington County have programs with similar thresholds, who serve populations with predominantly different needs. The recommended Housing Emergency Fund payment maximum of \$3000-\$7000 offers similar payment thresholds to other larger and more urbanized communities like the Region of Waterloo and the City of Toronto. For a summary of the jurisdictional scan please see Appendix "B".

Proposed Revised Program

Household Eligibility

To ensure the program continues to support those with the greatest need, the revised program will retain the same household eligibility requirements as the former Housing Stability Benefit program. This includes:

- Households in receipt of Ontario Works
- Households in receipt of Ontario Disability Assistance Program
- Households whose income is below the Low-Income Measure.

The eligibility to apply for the revised program will be maintained at once every two years. There will also continue to be an opportunity for applicants to apply for a one-time additional allowance under exceptional circumstances. This eligibility criteria helps to ensure the program is sustainable and targeted toward resolving housing crises with time-limited support. It is outside the scope of this program to be depended upon as a recurring rental subsidy or housing allowance. The intent is to address short-term housing crises to prevent homelessness and maintain housing that is realistically sustainable for tenants.

Payment Threshold

The revised program will maintain the Rent Ready payment threshold of \$3000-\$7000. This amount reflects approximately two months at Average Market Rent or up to 4-5 times the monthly shelter allowance for single households receiving social assistance. Individuals on social assistance are frequently likely to be paying the majority of their income on rent and are at greater risk of housing loss.

To ensure housing can be maintained on the client's current income, the eligibility threshold will include accommodation costs at no more than 95% of the client's income. This is higher than the threshold of 85% set by the City of Toronto for their Housing Stabilization Fund. The higher threshold was set to account for the extreme challenge that single persons on Ontario Works face in securing rental units that are obtainable within their limited income, while at the same time recognizing that a rental exceeding 95% of a tenant's income is unlikely to be sustained.

Eligible Expenses

The proposed categories for support under the revised program are rent arrears, last month's rent, and utility costs (including reconnection fees, arrears, and deposits based on agreements with utility companies). Compared to the eligible expenses provided under the Housing Stability Benefit program, the following categories would be removed: household items (including appliances, moving costs, bed bug protection, and bedroom furniture) and first month's rent. The categories for support proposed for the new program are the same expense categories as in the current Rent Ready program and are the areas where the largest percentage of the budget has been allocated in the Housing Stability Benefit program. These eligible expense categories, rent arrears, last month's rent, and utility arrears, provide the most impact in terms of housing sustainability and eviction prevention. Applicants will have the flexibility to determine how funds get allocated within these categories.

These categories are in line with funding categories provided by other municipalities in Ontario. Of the ten surveyed, fewer than half provide financial support for household items, moving costs, or first month's rent. Based on an analysis of Housing Stability Benefit utilization in 2022, approximately 17% of expenditures were related to the purchase of household items or moving costs. Removal of these items may make it more challenging for people receiving social assistance to outfit new apartments. However, to maximize the impact of limited funding, resources will be prioritized to address rent and utilities as these are the most essential expenses in helping people secure or stay in their homes.

Program Delivery

Through consultation with internal staff, the following needs were identified to aid with the Housing Stability Benefit and Rent Ready application process:

- Clearer eligibility criteria outlined for clients
- Direction and clarity for staff on eligibility criteria and guidance on alternative or additional eviction prevention supports for those who do not meet eligibility criteria or whose needs are not met by the program alone
- A formal process will be established to refer repeat program applicants to receive specialized supports. Previously, there was no formal approach to address recidivism, where a small subset of program applicants would receive HSB in year 1 and reapply when eligible to receive HSB once again two years later. The goal of establishing this formal referral pathway is to match clients with services tailored to their needs. The Home Management Program, administered through Children's and Community Services division, provides specialized supports setting up and maintaining a home, connects people to tax filing resources and income supports and connects people to other community programs and resources. Previously, there has been no formal connection between these

programs and formalized this approach aligns with best practices in human services integration.

Applications will continue to be processed by the City of Hamilton staff for applicants in receipt of Ontario Works or those residing in shelter and in receipt of Ontario Disability Support Program, and by the Housing Help Centre for applicants in receipt of the Ontario Disability Support Program living in the community or who have income below the Low-Income Measure.

The Housing Services Division will report back after 1 year of the operation of the revised program. This will include reporting on number of clients served, suspected number of evictions avoided or housing secured, payments allocated, data trends related to the level of need by clients, and contributing factors in providing case management support.

Budget Considerations

The current budget for Rent Ready and the Housing Stability Benefit for 2023 is not sufficient to meet the need. As of August, the projected need for the Rent Ready program is double the budget. The current global budget for Rent Ready in 2023 is \$1.045M but the projected need through the end of the year is approximately \$2.1M, not including approximately \$220K allocated to the Hamilton Regional Indian Centre for rent supports for the Indigenous community, leaving more than a \$1.1M deficit. If the program had run for the entire year in 2023, instead of taking an accounting pause in the early months of the year, the projected need is \$3.5M.

In 2022, the Housing Stability Benefit program was underspent, whereas the Rent Ready program was overspent and received redirected funds from the Housing Stability Benefit funding. This disparity in accessing funds through these programs is likely due to the limit on funding thresholds and prescriptive categories in the Housing Stability Benefit program as well as the complexity of accessing funding between the two programs. The majority of people receiving funds through the Rent Ready program received funds in excess of their Housing Stability Benefit allotment. It is likely that if the application process was simplified that there would be a greater increase in applications and an increase in the funding amount requested.

The recommended maximum payment threshold of \$3000-\$7000 based on household size would lead to an approximate budget maximum of \$8.56M based on the projected numbers of clients to be served by household size in 2023. In addition, the suggested budget for the new Housing Emergency Fund program includes the replacement of the \$500K formerly allocated to the Housing Stability Benefit through the water, wastewater and stormwater Rate Supported Budget to enable the continued support of clients with utility associated costs (including reconnection fees, arrears, and deposits).

The Appliance Repair Program has been paused since the onset of the COVID-19 pandemic because the vendor was no longer willing to enter client's homes. Since then, numerous strategies have been employed to revitalize the program with new vendors without success. The Residential Tenancies Act language states that landlords are responsible for maintenance and repair of appliances included in the lease. If appliances are not included in the lease, tenants are responsible for those costs. This does not happen often and during its operation the full budget of the program was never utilized and the uptake was limited, therefore it is recommended that the budget for the Appliance Repair Program be absorbed within the Housing Emergency Fund program.

Staffing

Housing Access Clerks and Housing Stability Benefit Case Aides provide Ontario Works clients with information about the Housing Stability Benefit and Rent Ready programs, provide direction and support in completing applications, and refer clients to Housing Support Workers for more complex application support and program delivery.

In 2022 City of Hamilton staff received 3056 Housing Stability Benefit inquiries and processed 1735 applications. Additional staff support is needed to respond to increased demand for the Housing Stability Benefit and Rent Ready programs as well as the increase in complex applications where more interventions and support are required. Due to the high volume of applications, the housing-focused, intensive case support needed by clients has not been possible, as was originally envisioned for this program. An additional staff complement will ensure clients receive appropriate support with applications, timely delivery of funds, and connection to additional housing support programs where relevant, as opposed to their applications being processed as quickly as possible.

ALTERNATIVES FOR CONSIDERATION

Alternative 1

An alternative for consideration is to maintain support for household items and moving costs as eligible expenses under the Housing Emergency Fund. This would require an additional budget enhancement of \$600,000 for a total of \$4.35M program increase in 2024. In the 2022/2023 fiscal year approximately \$566K was spent on furniture, appliance purchase and repair, moving costs, and other eligible living expenses under the Housing Stability Benefit program, within the maximum allocations for each category. For example, the maximum allocation for a bed frame is \$100 and \$50 for a mattress cover. Given that the cost of furniture, appliances, and gas have all risen significantly in the past decade, it is recommended to allow for higher maximums if retaining these categories.

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Keeping household items and moving costs as an eligible expense may help build an individual's sense of comfort in their home, which may increase the individual's housing stability. It may also prevent transmission of bed bugs by reducing the incentive for people to pick up mattresses or bed frames on the side of the street or from less reputable sources.

This does not, however, solve the dilemma of how to constrain costs in a program that is demand-driven with significant unmet community need.

Financial Implications: A total \$4.35M budget enhancement to the Housing Emergency Fund program would be referred to the 2024 budget process.

Staffing Implications: Administration of the program to meet current volume and complexity of demand requires the addition of 2.0 permanent FTE within Housing Services Division's budgeted complement at a cost of approximately \$190K for salary and benefits in 2024.

Legal Implications: There are no legal implications associated with Report HSC23067.

Alternative 2

Another alternative for consideration is to lower the program payment threshold to \$2,000-\$4,500, based on household size, which would allow the program to operate mostly within the current budget with accommodation for 2 additional FTE to support program delivery and a small enhancement to the existing budget to be able to offer a deeper level of support to the projected number of clients than the existing Housing Stability Benefit Program. This option would aim to merge the two programs with the same recommended parameters and eligibility criteria but would limit the level of deep financial support that clients would receive.

Table 4: Proposed (reduced) amalgamated annualized budget for Housing Emergency Fund effective 2024:

	Budget Source	Amount
Reallocated to Housing Emergency Fund	Housing Stability Benefit Levy	\$2,954,930
	Homelessness Prevention Program (Province)	\$979,910
	Rent Ready	\$1,045,040
	Administration	\$282,175
	Appliance Repair Program Levy	\$25,100
To offset loss of WWW	Housing Emergency Fund	\$500,000
To increase \$ thresholds	Housing Emergency Fund	\$200,000
To increase administration	Housing Emergency Fund Admin Enhancement	\$190,000
Total 2024		\$6,177,155

Financial Implications: A total \$890K budget enhancement to the Housing Emergency Fund program would be referred to the 2024 budget process.

Staffing Implications: Administration of the program to meet current volume and complexity of demand requires the addition of 2.0 permanent FTE within Housing Services Division's budgeted complement at a cost of approximately \$190K for salary and benefits in 2024.

Legal Implications: There are no legal implications associated with Report HSC23067.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report HSC23067: Comparative Analysis of Housing Stability Benefit, Rent Ready, and Revised Housing Ready Program

Appendix "B" to Report HSC23067: Jurisdictional Scan of Housing Stability Programs in Ontario Communities