



Report To:	Program Planning Committee
From:	Donna Stewart, Director of Integrated Social Services and Rhonda McCauley, Social Housing Program Supervisor
Date:	May 24, 2017
Re:	Portable Housing Benefit – Issue Report

Purpose:

The Ministry of Housing is proposing [amendments](#) to the Housing Services Regulations to allow Service System Managers to offer a portable form of housing assistance as an alternative to rent-geared-to-income assistance under that Act.

Background:

In a [letter](#) dated April 21, 2017, the Assistant Deputy Minister with the Ministry of Housing provided an update on the [Provinces Framework](#) for a portable Housing Benefit (PHB) which is an important component of the Long-Term Affordable Housing strategy.

A Portable Housing Benefit would provide a monthly subsidy to low-to-moderate income households to assist with housing costs. Unlike RGI, the PHB would be tied to the household itself, instead of a physical housing unit.

The PHB would have multiple benefits for recipients:

- It would give people on the social housing wait list a potential option to receive a portable benefit that would give them more flexibility and choice about where they live, perhaps closer to employment, child care, schools or family.
- It could help households who like where they are living but face affordability challenges to remain where they live.
- The calculation for the PHB would be simplified and reassessed annually using income tax information. As a result, recipients would have an incentive to earn income by moving to an annual benefit calculation, rather than experiencing an increased rent with every income change.

The PHB would also provide Service System Managers with the opportunity to create more vibrant mixed-income communities due to a greater ability to diversify their housing portfolio.

The province provided a [Summary of the Proposal](#) and is currently collecting feedback in order that would establish the Portable Housing Benefit. The deadline for responses is June 5, 2017.

Objectives

Recent amendments to the Housing Services Act, 2011 (HSA) allow Service System Managers, at their discretion, to include a household to meet their rent-geared to income (RGI) housing obligations, known as service level standards, if they provide the household with an alternate form of financial housing assistance specified by regulation.

The Ministry of Housing is soliciting feedback on proposed amendments to regulations setting out such an alternate form of assistance. The amendments would allow Service System Managers to include households that receive a portable housing benefit towards meeting their service level standards if they deliver it in accordance with a portable housing benefit framework set out in the regulation.

The portable housing benefit would be Service Manager funded.

Initial Eligibility & Selection

Service System Managers would be required to select a household for an offer of a benefit only from households on the Service Manager's centralized waiting list, and from households not on the list who are occupying a unit and receiving RGI assistance inside the Service Manager's service area and have expressed an interest in receiving a benefit.

- Service System Managers would be required to select households in a manner that is consistent with the provincial priority rules and the Service Manager's priority rules.
- Households would not be obligated to accept an offer of a benefit.
- Households receiving RGI assistance would cease to be eligible for that assistance if they accept an offer of, and begin receiving, a benefit.
- Households on the waiting list that accept an offer of a benefit would be removed from the list unless the Service Manager is satisfied that there are extenuating circumstances.
- Service System Managers would be required to help households make an informed decision.

Portability

Service System Managers could not require the portable housing benefit be used for a specific unit or a unit of a specific size.

Benefit Calculation

The formula for the 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 rent data for an appropriately sized unit based on household composition and 30% of the household's monthly Adjusted Family Net Income (AFNI), subject to certain adjustments.

Adjusted Family Net Income is the sum of the Net Income of each member of the household that is 16 years old or older, excluding dependents attending secondary and post-secondary education.

For social assistance recipients, the maximum portable housing benefit would be calculated using the same formula, but the actual benefit would be the difference between the social assistance shelter allowance received and actual shelter costs, up to the maximum allowable portable housing benefit amount.

In certain circumstances, Service System Managers could propose other methods for determining local AMRs for the Minister's approval.

Reviews

Service System Managers would be required to assess a household for benefit assistance each year based on household AFNI verified through income tax information, household address and composition and the applicable average market rent.

Following the review, Service System Managers would be required to adjust the benefit as necessary.

Service System Managers may conduct in-year reviews only where the household requests an in-year adjustment for significant (minimum 20%) income decreases or a drop in income band, relocation outside Service Manager area or changes in household composition.

Service System Managers may develop their own income verification methods for in-year reviews of households.

Continuing Eligibility

The household would cease to be eligible for the benefit if:

- the benefit calculation has given zero benefit to a household for 24 consecutive months;

- a household has not filed a tax return in the prior year (unless the Service Manager is satisfied there are extenuating circumstances); or
- a household does not provide the Service Manager with information required for a review.

Service System Managers could establish certain additional eligibility rules regarding the eligibility of a household or portion(s) of a household upon changes in household composition and for when a household no longer lives in the Service Manager's service area.

Delivery

Assistance would be paid directly to a single member of the household, unless the member requests that it be paid directly to the landlord.

The benefit may either be delivered either using income bands or calculated individually for each household.

Additional Flexibilities

To allow Service System Managers additional flexibility in providing similar assistance that is not counted toward meeting service level standards, households receiving RGI assistance would cease to be eligible for that assistance if they accept an offer of, and begin receiving:

- a benefit as above that is not counted towards meeting service level standards; or,
- a benefit delivered in accordance with prescribed requirements except for the household selection rules.

Households on the waiting list that accept an offer of such a benefit would be removed from the list unless the Service Manager is satisfied that there are extenuating circumstances.

Conclusion

The Manitoulin-Sudbury DSB Board and staff recommend to the province:

- That the province ensure significant flexibility is available to the Service System Managers to calculate the Portable Housing Benefit to meet the needs of their community members. A one size fits all solution will not work in Northern, Remote and/or Rural Ontario.
- To avoid system complexity, the Portable Housing Benefit should be exempt as income from Social Assistance, and if necessary, reconciled within the Portable Housing Benefit system.

- The province should not impose a time limit to the Portable Housing Benefit.
 - This could impose unintended penalty upon the household. Currently RGI assistance is not time limited and any move to impose a time limit on the Portable Housing Benefit would discourage current RGI tenants from considering a move to private accommodations freeing up RGI units for others in need.

Staff could not, in good conscious, recommend that a household move out of RGI housing to a private accommodation knowing full well that the Portable Housing Benefit was time limited and could leave the household worse off in the end.

- Payments to landlords should only be made by exception, and for a pre-determined timeframe to support the Household in becoming self-sufficient.
- Service System Managers should have the ability to calculate Adjusted Family Net Income based on other means besides Income Tax system. This strict condition could lead to eligibility issues and impose financial hardship on families reliant upon the PHB, and could result in homelessness.
- The Adjusted Family Net Income of all family members over the age of 16 is proposed for the Portable Housing Benefit. Consideration should be given to adopting the same income rules used in RGI calculations for members over the age of 16. This would alleviate the potential of penalizing students who are saving to attend post-secondary education.