



Report to: Program Planning Committee
From: Donna Stewart, Director of Integrated Social Services
Date: June 27, 2018
Re: Housing Benefit Update - Issue Report

Purpose

This report will detail the differences between the current DSB Direct Shelter Subsidy (DSS) using the DSB Average Market Rental amounts approved by the DSB Board in September 2015 and the provinces new calculation for Portable Housing Benefit - Special Priority Policy (PHB-SPP) which uses new Average Market Rents for our area that were just created by the province and have already changed once since they were released on May 18, 2018.

Since the province has developed a new calculation methodology for PHB-SPP, our principal concern is that the calculation used for the PHB-SPP will also be used for the larger Provincial Housing Benefit and possibly for the new National Housing Benefit.

Background

The Manitoulin-Sudbury DSB 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 Social Infrastructure Fund (SIF). In May, staff brought to the board's attention [the impact of the Portable Housing Benefit](#) however this issue report focuses on a benefit that is specifically related to Victims of Family Violence. The same week of the board meeting, guidelines for the PHB-SPP were released.

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

Portable Housing Benefit – Special Priority Policy

The 2017 Ontario Budget announced the province will invest \$30 million over the next three years in the Portable Housing Benefit - Special Priority Policy program to eventually support up to 3,000 survivors of domestic violence and provide them with the flexibility to choose where they want to live. This ongoing program was announced on November 28, 2017.

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 to any Service Manager area in Ontario. As a result, recipients will have more flexibility to choose where they live to be closer to family, social support networks, schools and employment opportunities.

The PHB-SPP program will provide households who qualify for the Special Priority Policy with an additional option to meet their housing needs while also alleviating pressure on the broader Social Housing system. This program will provide these households with the option to receive a PHB to help them obtain or retain housing, rather than staying in shelters or other precarious housing situations until a Social Housing unit becomes available. Households who are approved to receive benefits under this program will not remain on the Social Housing waiting list of their local Service Manager.

Service Managers will not receive annual funding allocations. All Service Managers are eligible to receive funding from Ministry of Housing on a quarterly basis:

- Towards administration costs related to supporting the program; and
- To be reimbursed for first and last month's rent assistance provided to applicants who are approved for the program, as appropriate.

Service Managers will receive a one-time administration payment of \$250 for each application from their service area that is approved for the program. Administration payments will be made quarterly based on the number of eligible applicants approved for the program in each service area, as reported by the Ministry of Finance (MOF) through an online portal.

Calculation of the PHB - SPP

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 is equal to the net income of each member of the household aged 16 and older, excluding dependents attending a recognized educational institution.

The maximum monthly benefit payable is 80 per cent of AMR less \$85 for non-social assistance recipients only. The minimum monthly benefit payable is \$10. Any monthly benefit calculated as an amount less than \$10 will be considered a nil (\$0) payment.

The portable housing benefit **does not** consider the **actual rent and utility costs** within the calculation formula.

Market Rent

On September 24, 2015, the Manitoulin-Sudbury DSB staff presented an [Issue Report](#) to the board on the establishment of Market Rent for the District and passed [Resolution 15-65](#) establishing the new Market Rents. The board agreed at that time that the Market Rents were going to be based on [High Needs Household Schedule 1](#) dated January 1, 2015, as opposed to conducting a survey of the rental market in all 18 municipalities. The Non-Profit providers in Espanola, Little Current and Gore Bay were also required to follow suit.

The Town of Espanola was not in agreement with this and therefore spoke to the Ministry of Housing about what could be done to alleviate this change to their residents living in the Non-Profit housing building. The Town of Espanola was informed by the Ministry of Housing that the DSB was well within their right to increase the market rents per their operating agreement as the Service Manager is the signatory of that agreement.

The Ministry of Housing is now stating that the PHB-SPP is a completely different program which has nothing to do with Social Housing. This is a completely different agreement and program, therefore the Market Rents used for the PHB-SPP can be different than the ones being used to determine affordable rents in the DSB's and Non-Profit housing portfolios.

On [May 18, 2018](#), staff received an email from the Ministry of Housing stating:

“Average Market Rent (AMR): Benefits will be based on AMRs provided annually for this program by the ministry, based on the published Canada Mortgage and Housing Corporation AMR for rental unit sizes, and on household composition. Unlike other programs where AMR is used for determining eligibility, the PHB-SPP will use AMR for calculating the amount of the benefit. Alternate AMRs will not be used.”

2018-19 Average Market Rents for the Portable Housing Benefit - Special Priority Policy (PHB-SPP)
 (for the period of July 2018 - June 2019)

Service Manager	Average Market Rent			80% of Average Market Rent		
	1-Bed	2-Bed	3-Bed	1-Bed	2-Bed	3-Bed
Algoma DSSAB	707	832	853	566	666	682
Cochrane DSSAB	774	921	1,042	619	737	834
Manitoulin-Sudbury DSSAB	646	869	943	517	695	754
Nipissing DSSAB	743	907	1,121	594	726	897
Parry Sound DSSAB	646	718	943	517	574	754
Sault Ste. Marie DSSAB	646	869	943	517	695	754
Kenora DSSAB	718	875	943	574	700	754
Rainy River DSSAB	646	869	943	517	695	754
Thunder Bay DSSAB	778	959	1,194	622	767	955
Timiskaming DSSAB	643	733	807	514	586	646
UC of Leeds and Grenville	744	854	917	595	683	734
UC of Prescott and Russell	626	793	798	501	634	638

Updated: May 1, 2018

However, CMHC does not have AMR's for the Manitoulin-Sudbury DSB (as well as Kenora, Rainy River, Parry Sound and Sault Ste Marie DSSAB's) as the "data is suppressed to protect Confidentiality, or the data is not Statistically Reliable."

[Ministry of Housing Website - 2017 Average Market Rents for Apartment Units](#)

2017 Average Market Rent for Apartment Units

[Email this page](#)

Service Manager Area	Bachelor	1 Bedroom	2 Bedroom	3+ Bedroom	Total Bedroom
Algoma DSSAB	\$569	\$693	\$808	\$838	\$767
Cochrane DSSAB	\$575	\$808	\$936	\$1,095	\$887
Manitoulin-Sudbury DSSAB	**	**	**	**	**
Nipissing DSSAB	\$562	\$730	\$900	\$1,114	\$841
Parry Sound DSSAB	**	**	\$718	**	\$711
Sault Ste. Marie DSSAB	**	**	**	**	**
Kenora DSSAB	**	\$675	\$852	**	\$749
Rainy River DSSAB	**	**	**	**	**
Thunder Bay DSSAB	\$608	\$765	\$940	\$1,170	\$869
Timiskaming DSSAB	\$547	\$634	\$726	\$807	\$688
UC of Leeds and Grenville	\$608	\$761	\$872	\$920	\$822
UC of Prescott and Russell	\$527	\$618	\$766	\$739	\$725

Note:

1. Source: Rental Market Survey (RMS), Canada Mortgage and Housing Corporation.
2. ** Data Suppressed to Protect Confidentiality or Data is not Statistically Reliable.

On May 28, 2018, DSB staff were advised by Ministry of Housing staff that the Manitoulin-Sudbury DSB AMR's were based on Grants Ontario database system based on our capital builds. The problem is, the Manitoulin-Sudbury DSB has never had a capital build and there would be nothing in the Grants Ontario database to set the AMR.

On June 5 and June 12, 2018, staff were then told that the Manitoulin-Sudbury DSB's AMR's were based on Ontario Works and Ontario Disability Support Program shelter rates multiplied by 105%.

Finally, on [June 14, 2018](#), staff were informed that the PHB-SPP Average Market Rents reflect the current Ontario Works modified shelter allowance rates.

2018-19 Average Market Rents for the Portable Housing Benefit - Special Priority Policy (PHB-SPP)
(for the period of July 2018 - June 2019)

Service Manager	Average Market Rent			80% of Average Market Rent		
	1-Bed	2-Bed	3-Bed	1-Bed	2-Bed	3-Bed
Algoma DSSAB	707	900	976	566	720	781
Cochrane DSSAB	774	921	1,042	619	737	834
Manitoulin-Sudbury DSSAB	666	900	976	533	720	781
Nipissing DSSAB	743	907	1,121	594	726	897
Parry Sound DSSAB	666	900	976	533	720	781
Sault Ste. Marie DSSAB	666	900	976	533	720	781
Kenora DSSAB	718	900	976	574	720	781
Rainy River DSSAB	666	900	976	533	720	781
Thunder Bay DSSAB	778	959	1,194	622	767	955
Timiskaming DSSAB	666	900	976	533	720	781
UC of Leeds and Grenville	744	854	917	595	720	781
UC of Prescott and Russell	666	900	976	533	720	781

Updated: June 2018

Comparing the PHB-SPP with our current DSS program

As mentioned in the [previous issue report](#), the DSB is currently offering a very similar program to the residents in the Manitoulin-Sudbury DSB jurisdiction. There are a few differences between the PHB-SPP and the DSS program that the DSB currently operates.

The first difference between the programs is that the PHB-SPP do not consider the actual rent and utility costs paid while the DSS program considers the actual rent and utility costs paid by the applicant.

The second difference between the programs is that the PHB-SPP Market Rents is being established by the province based on a flawed methodology which appears to be changing from week to week and the DSS program is utilizing the current DSB Market Rent amounts approved by the Manitoulin-Sudbury DSB Board as a basis for the maximum benefit payable to the client.

As CMHC does not provide the Manitoulin-Sudbury DSB with [Average Market Rents for the District](#), the Ministry has advised us that we may request alternative Average Market Rents that are based on a local market rent survey for the Ministry's consideration or just use the rents provided that are based on the Ontario Works modified shelter allowance rates.

This would not apply to us because we do not have CMHC AMR to compare to the OW Shelter allowance. We have no way of knowing if the 105% of OW Shelter exceeds the CMHC AMR because we have never been provided with a CMHC AMR.

*“In some Service Manager areas, maximum rents will be based on a Modified Ontario Works (OW) shelter allowance. The proponent is allowed to charge rents of up to 105 per cent of a modified OW shelter allowance, provided it does **not exceed the CMHC AMR**. In areas where 80 per cent of CMHC AMR is less than 105 per cent of a modified shelter allowance, the higher rent will prevail.”*

The current PHB-SPP program design would ensure a systematic means of discriminating against our communities by subjecting to an Average Market Rent that is based on a flawed methodology.

Direct Shelter Subsidy Analysis

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

If the province were to inform us that we can no longer operate the DSB Direct Shelter Subsidy program and that we must abide the new Portable Housing Benefit calculation methodology for all DSS recipients, it would have the following affects on our current 180 Families receiving DSS:

- | | |
|----------------------------|--|
| 32 Families or 18%: | would loose their housing benefit |
| 99 Families or 55%: | 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 |
| 34 Families or 19%: | 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 **131 families or 73%** of the 180 families currently receiving Direct Shelter Subsidy would be worse off using the provincial Portable Housing Benefit calculation became the new standard for all forms of Provincial Portable Housing Benefits and possibly for the new Federal Housing Benefit.

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 – Special Priority Program that does not consider the actual cost of rent, heat and utilities paid by tenants 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.

Furthermore, if the Ministry of Housing had indicated they would not honour the Board approved Market Rent when they were established in 2015, we would not be in the current situation.

The Ministry of Housing is arbitrarily changing the rules and in this case re-victimizing Victims of Family Violence as the Market Rents established by the DSB will not be used to determine PHB-SPP eligibility.

Staff will keep the board apprised of this initiative and the impact it will have on the clients currently in receipt of this subsidy and the impact it will have on the Market Rents.