

The Corporation of the City of Kawartha Lakes

Committee of the Whole Report

Report Number HH2020-002

Meeting Date: March 10, 2020

Title: Canada-Ontario Housing Benefit

Author and Title: Hope Lee, Manager, Human Services (Housing)

Recommendation(s):

That Report HH2020-002, **Canada-Ontario Housing Benefit**, be received for information purposes; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

Funding

The Canada-Ontario Housing Benefit (COHB) is a federal-provincial benefit which is launching April 1, 2020. COHB is a program of the 2017 National Housing Strategy. On December 19, 2019 the federal and provincial governments announced that they had mutually agreed on program design for this \$1.46 billion benefit program (split evenly between the provincial and federal government).

Objective

The purpose of the program is to increase the affordability of rental housing by providing an income tested, portable housing benefit payment directly to the eligible household. The benefit is attached to the household not the physical unit. As long as they remain eligible they can take the benefit with them as they move to a different unit or even a different community.

The program will build on Ontario's Portable Housing Benefit – Special Priority (PHB-SPP) Policy program. When COHB becomes available (April 2020) the households currently receiving the PHB-SPP will be required to apply to the new program (COHB).

Target and Outcomes

The province anticipates that 5,000 households will receive assistance in the first year and over 40,000 households will be assisted by 2027-28 when the program ends.

The program is expected to achieve positive outcomes to recipients including:

- A better connection to housing assistance to achieve housing affordability and stability
- Access is more immediate to the benefit rather than waiting on community housing waiting list for a number of years
- Lower percentage of income spent on rent
- Reduced likelihood of returning to an emergency shelter
- More choice and opportunities
- Improved household financial well-being
- Better quality of life

The province will work with Canada Mortgage and Housing Corporation (CMHC) to assess program impact on recipients over the course of the program as well as support research on the long-term impacts.

Calculation

The maximum monthly benefit is based on the difference between 80% of the average market rent for an appropriately sized rental unit, based on the household composition and 30% of the applicant households annual adjusted net

income. Social assistance recipients have a separate calculation to avoid a reduction in their benefits. In this case the COHB fills the gap between the social assistance shelter payment and the actual shelter costs, up to a maximum amount.

Households that have been found to be eligible may also receive first and last month's rent assistance directly from the Service Manager, where appropriate.

Priority Groups

The program is to assist low income households and primarily intended to support vulnerable individuals and households in housing need. Under the National Housing Strategy vulnerable populations include:

1. Group A
 - Persons experiencing or at risk of homelessness;
 - Survivors of domestic violence and human trafficking;
 - Indigenous persons;
 - Seniors; and
 - People with disabilities.
2. Group B
 - Households living in community housing that are not receiving affordability support.

Service Managers are responsible to consider the priority groups in the following order:

- Vulnerable household types from Group A
- Vulnerable household type from Group B
- Non-targeted households

Service Managers must exhaust all options for vulnerable households before identifying non-targeted households for the program.

Eligibility – New Applicant

Household members must meet the following to be eligible:

- Reside permanently in Ontario;
- Either
 - Canadian Citizen; or
 - Permanent resident; or
 - Made application for status as a permanent resident; or
 - Has made a claim for refugee protection;
- Be on the community housing waiting list or eligible to be on such a list or be living in community housing;
- Not be in receipt of, or part of a household in receipt of rent geared to income assistance, a COHB benefit or any other government funding housing benefit, with the exception of social assistance shelter payments;

- Consent to be removed from the community housing waiting list of the Service Manager where the application was completed and approved; and
- Not reside in a home suitable for year round occupancy within or outside Ontario which is owned by a member of the household within 90 days of being determined eligible (must sell their legal or beneficial interest within 12 months from being determined eligible and continue to be renter households).

Eligibility – Annual Renewal

Annually each spring those receiving the benefit must complete an annual review to determine both their ongoing eligibility and benefit amount. Those who do not return their annual forms by the renewal deadline will no longer be eligible.

At renewal and each year thereafter, household members must continue to:

- Reside in Ontario
- Be a renter household
- Not be in receipt of, or part of a household in receipt of rent geared to income assistance, a COHB benefit or any other government funding housing benefit, with the exception of social assistance shelter payments

Households who are receiving a nil benefit payment for 24 consecutive months will lose their eligibility and will be automatically exited from the program.

Portability

The benefit is fully portable across Ontario. Participants can continue to receive a benefit when they move to a rental unit in another Service Manager area.

Program Roles and Responsibilities

The Ministry of Municipal Affairs and Housing (MMAH) will undertake the following activities:

- Program design, funding and accountability, in partnership with CMHC
- Determine average market rents
- Flow eligible funding to the Service Manager
- Arrange for a program call centre to respond to inquiries (Service Ontario)

Service Managers will undertake the following activities:

- Select households that may be eligible and distribute application forms to them
- Ensure households have been informed of the benefits and risks
- Ensure households have consented to disclosure of their personal information to the Canada Revenue Agency (CRA), MMAH and Ministry of Finance (MOF)
- Complete the Service Manager portions of the application form
- Collect and send completed applications to MOF
- Collect required information on intake

- Providing first and last month's rent payments to eligible households (to be reimbursed by MMAH as appropriate)
- Submitting quarterly payment claims to MMAH
- Notify MOF of certain events such as the households acceptance of an offer of RGI housing
- Completion and distribution of T5007 tax slips to households to report first and last months' rent payments for income tax purposes

Ministry of Finance will undertake the following activities:

- Distribute application forms to the Service Manager
- Process applications including verification of applicants
- Determine eligibility
- Calculate benefit amounts
- Make payments
- Complete in year reviews in partnership with MMAH
- Provide monthly reports to MMAH on participation rates and funding expensed
- Complete and distribute T5007 tax slips to households to report the benefit for income tax
- Respond to enquiries

Service Ontario will undertake the following activities:

- Operate the Information Centre to respond to program enquiries and receive account changes from participating households

Rationale:

Kawartha Lakes and Haliburton Funding

Kawartha Lakes has received the allocation letter for 2020-22 for the service area, which includes both Kawartha Lakes and the County of Haliburton, as follows:

- 2020-21: \$202,921
- 2021-22: \$265,886

The incremental increase in funding is to make benefits available to new households. Funding for existing households who were approved in previous years and who remain eligible for payments are administered by the province.

Funding allocations are provided on a "use it or lose it" basis and funding from one fiscal year cannot be reallocated to future years. Therefore, by December 31st of each year, Kawartha Lakes must be able to project 90% spending of the annual allocation by the end of the fiscal year (March 31st). The number of eligible households approved will be limited in any year by the amount of funding available to Kawartha Lakes.

Kawartha Lakes and Haliburton Priority Groups

While the program will be provincially delivered with little local flexibility, Kawartha Lakes in its role as Service Manager does have a role to play which includes identifying the households who may be eligible and assisting them with submitting an application.

Over the past years, Kawartha Lakes in its role as Service Manager has offered both the provincial PHB-SPP and a municipally funded portable benefit through the Community Housing Waiting List. To date offers have been made to well over 100 eligible individuals with only six of those accepting (3 PHB-SPP and 3 non-targeted). While there are approximately 1,800 households on the Community Housing Waiting, many are specifically waiting on one of the community housing units. The requirement to withdraw from housing waiting list has been the most common reason for turning down the portable housing benefit.

Kawartha Lakes in its role as Service Manager also manages a homelessness By-Name List. To date Kawartha Lakes has used portable housing benefits, the majority of which are provided through municipal homelessness dollars, to support approximately 30 individuals with housing affordability. To date these portable benefits are available only to those who also have a high level of acuity and therefore are also receiving intensive supports through municipally allocated provincial homelessness funding.

However, also on the by name list are individuals with lower acuity and the need for only financial housing assistance. To date all the resources invested are for those requiring intensive supports.

Based on this local information Kawartha Lakes will target this benefit to the following priority groups in the following sequence until funding is fully allocated:

1. Special priority households (victims of domestic violence and human trafficking) either currently receiving the provincial PHB-SPP or on the Community Housing Waiting List (receiving or on the list as of April 1st, 2020 for the first intake)
2. Lower acuity households on the homelessness By Name List (on the list as of April 1st, 2020 for the first intake)
3. Senior households currently on the Community Housing Waiting List with the newest application date (on the list as of April 1st, 2020 for the first intake)

Kawartha Lakes and Haliburton Targets and Outcomes

It is difficult to estimate how many households will be assisted annually due to the calculation model. If we used the Province's estimate of assisting over 5,000 households in the first year with approximately \$28M, we could estimate for year one in Kawartha Lakes and Haliburton assisting approximately 36 households. This uses an average benefit payment of \$5,600/year or \$465/month.

The greatest outcome expected locally is connecting homeless households to housing assistance, improving their overall well-being and quality of life.

The second greatest outcome would include minimizing the time seniors may wait on community housing waiting lists and providing them with more housing choice.

In all cases Kawartha Lakes in its role as Service Manager will ensure that households are assisted in both Kawartha Lakes and the County of Haliburton.

Other Alternatives Considered:

None.

Financial/Operation Impacts:

There will be no municipal financial impact to Kawartha Lakes or the County of Haliburton.

Service Managers may claim a one-time administration payment of \$250 per approved application to an annual cap of 5 percent of the annual planning allocation (approximately \$10,000 in year one). This payment is to assist with the role and responsibility of the Service Manager. This program and its requirements will be absorbed within existing positions.

Funding in the annual planning allocation will be used to pay the monthly benefit to the household for the initial year and any administration payments and/or reimbursement of first and last months' rent claimed by the Service Manager. For example, if the household is approved for a benefit of \$465 a month in April 2020 and was provided with \$1,892 for first and last months' rent, this household could reduce the Service Manager's annual planning allocation by \$7,722. This includes \$5,580 (\$465 x 12 months), \$1,892 for first and last months' rent assistance (based on a 1-bedroom monthly average market rent) and \$250 for administration.

In order for Kawartha Lakes to assist more households, it will likely provide first and last months' rent through homelessness prevention funding as this is already an approved benefit under the local policy to an eligible low income household.

Relationship of Recommendation(s) To The 2020-2023 Strategic Plan:

This program has a relationship to the goal of An Exceptional Quality of Life by improving the well-being of residents.

Consultations:

None

Attachments:

Appendix A – 2020-22 Allocation Letter



Kawartha Lakes
2020-21 Allocation L

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