

<b>TO:</b>	<b>CHAIR AND MEMBERS COMMUNITY SERVICES COMMITTEE MEETING ON April 2, 2012</b>
<b>FROM:</b>	<b>L. STEVENS DIRECTOR OF MUNICIPAL HOUSING COMMUNITY SERVICES DEPARTMENT</b>
<b>SUBJECT:</b>	<b>MUNICIPAL HOUSING SUPPLEMENT PROGRAM</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Director of Municipal Housing, with the concurrence of the Executive Director of Community Services, the following actions **BE TAKEN**:

1. A *Municipal Housing Supplement* program **BE CREATED**, as outlined in the following report, to provide a fixed subsidy to eligible selected landlords to reduce the effective market rent of rental units in order to meet the affordability needs of prospective or existing eligible tenants.
2. That the program details related to the *Municipal Housing Supplement* **ADDRESS** the identified priority populations and needs outlined within the London Community Housing Strategy.
3. That the Director of Municipal Housing **BE DIRECTED** to report back on the details and outcomes of this initiative as part of the annual London Community Housing Strategy Update report.
4. That the Director of Municipal Housing **REPORT BACK** through Community Services Committee for Council approval related to individual landlord agreements.
5. That the allocation for the Municipal Housing Supplement **BE APPROVED** in accordance with the Council approved Program Delivery and Fiscal Plan with funding through the Affordable Housing Reserve Fund (See related reports also dated April 2, 2012).

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Community and Protective Services Committee

November 25, 2002 – Affordable Housing \$2M Capital Reserve Fund Conditional Allocation

Council Housing Leadership Committee

Various Reports regarding the London Community Housing Strategy

March 21, 2012 – Affordable Housing Capital Reserve Fund Policy Revisions



**BACKGROUND**

London Community Housing Strategy

The London Community Housing Strategy (LCHS) plan, approved by Municipal Council in June 2010, represents an integrated and comprehensive approach that calls for a continued investment and action from all orders of government and from other sectors. It builds on local successes and addresses local needs in the continuum from streets to home ownership. The LCHS aligns system design, program, political advocacy, service delivery, and administrative recommendations that incorporate 1200 proposed housing units using a variety of options.

In order to advance the strategic objectives of the LCHS, including the associated targets, a *Municipal Housing Supplement Program* is being proposed.

The balance of this report outlines a proposed *Municipal Housing Supplement*. This program would work within a continuum of other local affordable housing solutions (including a planned *Municipal Convert to Rent/Rehabilitation* and *existing Municipal Housing Partnership Policy*), as well as local solutions made possible within IAH (*Home Ownership, Ontario Renovates, New Rental Development*, and the separate *Provincial Rent Supplement*).

<b>Terms:</b>	<i>Provincial Rent Supplement</i>	Provides affordable rental units through a payment made to eligible private or non-profit landlords. The eligible tenant pays the difference between the rent that the household can afford based on a rent-geared-to-income calculation and the market rent of the unit.
	<i>Municipal Housing Supplement</i>	Differs from the <i>Provincial Rent Supplement</i> as it will be based on a fixed subsidy. Landlord and tenant eligibility will remain subject to program rules. Payment and will be through the landlord.

**NOTE:** Both programs will serve populations in need within a “tool box” approach within the LCHS continuum of housing solutions.

***Municipal Housing Supplement Program***

**Program Definition:** A housing supplement program providing a fixed subsidy to eligible and selected landlords to reduce the effective market rent of the unit in order to meet the affordability needs of prospective or sitting tenants.

- Key Features:**
- (Details below)
1. Fixed Subsidy (not RGI).
  2. Selection Process for Eligible Landlords
  3. Selection Process for Eligible Units
  4. Landlord Agreements
  5. Tenant Selection Process
  6. Eligible Households
  7. Program, Funding, and Eligibility Monitoring.

**NOTE:** The Selection Process for Eligible Landlords and the Tenant Selection Process each have two service levels:

1. Housing with Supports, and
2. Housing without Supports.

Housing with Supports provides the capacity needed within London CAREs to engage landlords and support service providers to help identified vulnerable individuals and families retain their housing.



**Program Details:**

1. *Subsidy*

- Paid to the landlord to reduce the effective market rent
- Local subsidy amounts will be up to \$200 per unit per month
- Duration of the subsidy will be up to 6 years per eligible unit

2. *Selection Process for Eligible Landlords for Housing Without Supports:*

- An expression of interest (EOI) will be released to seek landlords in the City of London wishing to participate in the program. This process may be repeated as required.

*For Housing With Supports (Service level supporting London CAReS):*

- A housing selection worker will be assigned through London CAReS (or other successor program) to provide housing stability by obtaining actionable housing, scattered housing units, recruiting landlords and developing relationships and effective working partnerships with landlords, property owners, and/or property management.

3. *Selection Process for Eligible Units*

- An inspection will be conducted in order to determine that the units are in a satisfactory state of repair, each unit is self contained and is close to shopping, transportation, schools etc.
- The units are not required to be vacant at the time of the inspection. As units become vacant they are offered up for the program until the agreed-to number of units has been filled.
- The units must be modest and self-contained – no hostel, group home or congregate living units, nursing or retirement homes
- The gross monthly rent for a unit (fully serviced, including heat, water, hot water, stove and refrigerator) does not exceed Average Market Rent for the area.
- Units may be in newly constructed or existing private buildings; and must meet local occupancy standards
- Units can be occupied by applicant households – in-situ is allowed

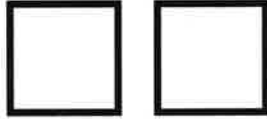
4. *Landlord Agreements*

- The Housing Division prepares an Authorization to Lease (ATL) form which details all of the information about the project, the number of units to be contracted for, the market rent and the effective rent to be charged.
- The Housing Supplement subsidy is provided monthly directly to the landlord by the Housing Division. This subsidy reduces the market rent to be charged to the tenant for the rental unit.
- A cheque detailing the amount of housing supplement dollars owed to the landlord for the units that have been filled is provided to the landlord on the first of each month. Any adjustments that are required are reconciled on a monthly basis and are reflected on the next landlord payment.
- The landlord/tenant relationship does not involve the City of London.

5. *Tenant Selection Process*

*For Tenants With Support Needs (Service level supporting London CAReS):*

- London CAReS will focus on two priority and underserved groups of individuals in achieving housing stability through the services provided through London CAReS (or successor program) and include either individuals who are experiencing persistent or chronic homelessness and those at immediate risk of becoming homeless as a result of their first time street presence.



*Tenant Selection Process (Without Support Needs)*

- In order for households to be eligible for a Housing Supplement unit, they must apply to the Housing Access Centre. A wait list will be established for each housing supplement location and applicants choose which location they would like to be considered for housing.
- Once a vacancy occurs the landlord contacts the HAC in order to initiate the process of filling the unit.
- Staff contact applicants and once two interested households agree to be considered for the vacant unit, their names are sent to the landlord and the landlord contacts them to view the unit and complete the landlord/owner's application form.
- Once the landlord selects the tenant for the unit, this information is provided to the HAC. The tenant signs a lease with the landlord and arranges to move into the unit.

6. Eligible households



- Must be on – or eligible to be on – social housing waiting list or have income below
- Maximum household income cannot be more than five times the reduced rent
- For continued eligibility: minimum annual income testing will be required
- Not eligible: households receiving RGI benefits

7. Program, Funding, and Eligibility Monitoring

- Funding is conditional upon policy changes in the Affordable Housing Reserve Fund to allow operating funds and subject to the annual approval of the municipal budget.
- For continued eligibility: minimum annual income testing of tenant households will be required
- Program evaluation will be undertaken as part of the annual London Community Housing Strategy Update report.

**FINANCIAL IMPACT**

Funding for the delivery of the Municipal Housing Supplement Program is drawn from the Affordable Housing Reserve Fund.

<b>PREPARED BY:</b>	<b>CONCURRED BY:</b>
	
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