

# Niagara Poverty Reduction Network Housing Task Group Rent Supplement Position Paper Background



**The Niagara Poverty Reduction Network sees Rent Supplement programs as a significant part of the region’s continuum of housing and homelessness services. These programs offer individuals a stigma free, cost effective solution to the growing pressures for attaining quality affordable permanent housing. The Network strongly supports an examination and review of existing programs in comparison to best practices in order to identify opportunities to expand, strengthen, or realign local rent subsidies to maximize access and use by those who can benefit from them most.**

As of 2017, the Niagara Region has entered the fourth year of its 10-year Housing and Homeless Action plan (HHAP). This plan encompasses a very active housing strategy, which is taking a multidimensional look at providing solutions to increase the inventory and availability of affordable housing options for the residents of Niagara. The Niagara Poverty Reduction Network established an Affordable Housing Task Group to review efforts that address affordable housing needs in the Region. Although many housing needs are being thoroughly examined and addressed, the task group identified rent supplements as an area that could be further explored within the context of the current housing strategy. The people of Niagara who experience low or fixed incomes have been under a growing set of pressure in the housing rental market. In recent years, there has been a trend in the rental market requiring tenants to pay utilities separately (heat, water, electricity) in addition to basic rent. The requirement to pay separately for utilities is frequently identified as being particularly challenging since many participants are on fixed incomes. While basic rent for a continuing tenancy can only be increased once per year, utility bills have steadily increased and also fluctuate widely from month to month. Those receiving income support do not see benefit levels increase to match increases in rent and/or utility bills. With increases in housing prices in the region, the ability to move from renting to owning is becoming more difficult. This keeps more people in the rental market and with an increased demand and limited inventory, prices of rentals continue to rise. People are often left choosing to pay for rent or paying for other essentials such as food, clothing and other household goods. It is generally accepted that people should not spend more than %40 of their income on rent however this is becoming more of a challenge for individuals and families in our area.

Rental assistance programs help tenants by giving them a sum of money to go towards paying rent that they would be unable to pay otherwise. The task group determined that developing a position statement on rent supplements would stimulate a broader dialogue in the region about the use, scope and effectiveness of rent supplements in the continuum of housing supports.

Through a brainstorming session the task group explored the following questions:

- What does the rent supplement picture look like across the region?
- What are the strengths and weaknesses of rent supplements in the current system?
- What potential is there to increase the impact of rent supplements?
- What best practices could inform rent supplement programs moving forward?
- What recommendations could be made regarding rent supplements in the region?

The task group identified Niagara Regional Housing (NRH) as the primary administrator of rent supplements in Niagara. The NRH rent supplement program currently assists more than 700 low income households to access affordable housing in privately owned buildings in Niagara. Rent supplements are provided to households selected from the NRH waiting list to ensure fairness in wait times. Those who move into a unit with support through a rent supplement sign a standard lease with the landlord of the private building, and enter into a normal landlord-tenant relationship with both parties

receiving the rights and responsibilities covered under the Residential Tenancies Act. Tenants in the Rent Supplement program pay a rent that is based on their income. With NRH supplementing the tenant's rent by paying the landlord the difference between the rent paid by the tenant and the full market rent for the unit. Every year, NRH reviews the rents charged by the landlords to ensure that they fairly reflect the market rents in the area.

This program is working well for those who are able to participate. However, it is currently a relatively small program in comparison to the size and severity of need for affordable housing in Niagara. There are long wait lists for NRH (up to 10 years for some people) and information about alternative supports and how to access them is not easily accessible to the general public. The process for applying, available amounts, and expected wait times, does not seem to be very clear to local service providers or individuals seeking access to the program. People need to be at risk or imminent risk of losing their housing to qualify for a rent supplement. However, being homeless is not part of the criteria and in some instances, couch surfing or living in a motel is considered being housed despite the tenuousness of the arrangement and lack of facilities. Clarification from NRH on eligibility in particular what is considered being "housed" and who has priority for rent supplements would assist individuals in making decisions around seeking support and help to identify current gaps that could be addressed through additional rent subsidies or alternative supports.

The group identified Housing First as another program which provides access to a rent supplement, but with historic variations across the region on how the program is offered continues to cause confusion. There are several providers offering different Housing First programs, each with slightly different structures as to what they offer, amounts of available rent subsidies, and the types of supports that are attached to them. A similar program is also available through the Phase II Homelessness Initiative, providing flexible supports and affordable housing for those individuals with serious mental health issues who are homeless or at risk of becoming homeless.

While these types of programs are attractive to many in the region, local changes in the rental market are making the provision of rent subsidies through these types of programs more expensive. Market rates for rent keep increasing while increases in available subsidies lag further and further behind, making people use more of their disposable income for rent. In Niagara this problem has been compounded by the lack of rental inventory and increased price of housing.

Programs do not allow people to double up their subsidies in one unit to make it affordable for two unrelated tenants who may want to share a unit. Insufficient social assistance rates also contribute to keeping people who are living in poverty in a position in which they spending the bulk of their money on housing and not on other essentials like food, or clothing. This financial squeeze reduces their capacity to recover from adversity and participate fully as members of the community.

Landlords are also sometimes confused over the process of the rent supplement program, particularly when combined with supports available through social assistance (Ontario Works or the Ontario Disability Support Program). In the rental market, landlords are encouraged to seek "the best" tenants from a business perspective. As there is a larger pool of people to select from, and competition for rental units is fierce in the current market climate, landlords are unlikely to select people relying on a rent supplement program or a housing first program who may present with challenging needs to the landlord. These factors limit the viability of rent supplement programs across the region.

Overall, rent supplement programs are seen as a very positive and efficient way to assist in resolving the housing needs of individuals in the region. This model of service can be less stigmatizing to individuals and preserve their existing housing if provided where they already live. This eliminates the need to uproot and move, which has additional financial costs to the individuals or family that only acts increase the financial strain on a household. The administrative costs of managing such a program could also make it an attractive alternative to other services available such as homeless shelters or social housing. More rent subsidies would mean that more money would be available for direct support and less for administration.

In its current state, rent supplement programs can and do serve some key functions. Foremost, they can prevent housing loss and the massive disruptions that loss of housing causes to individuals and families. It is also a less intrusive way to assist the working poor in the region to stay financially afloat in this difficult labour market that exists within the region.

Rent supplements could be utilized to provide stability to help more low income earners keep their house/apartment. This type of program can also fit into a continuum of support for those who are homeless and/or have high needs. Housing First could be used as the first line of support to someone homeless or at risk. Once the person is stabilized and can find a place to live, a rent supplement without supports could be offered. This would be a way to offer space to those who need extra supports and to move them out of that type of program once they have gained the appropriate skills to live independently. This could facilitate movement to success in the housing system for people, without blocking space in programs that cannot discharge their clients so they can serve others with the need for more intense supports lowers.

Further to the task groups deliberations the Front Line Housing Support Network proposed a recommendation about rent supplement. The Front Line Housing Support Network is a Niagara community of practice for front line housing and homelessness workers, includes representatives from agencies in the homelessness, mental health, community health, and violence against women sectors. This network has identified a bottleneck in the local service system that might be addressed through a rent supplement program. They state, "There may be a significant number of clients in programs that provide housing with intensive supports who would be successful in a less intensive program now that their situation has stabilized and their service needs are reduced, but who cannot move out from their current program because of long wait times for rent geared to income housing. Some of these clients could remain successfully housed if the financial supports necessary to keep them housed were available. This would free up spaces in high demand and costly programs with intensive supports for those clients with complex needs who are currently facing chronic or episodic homelessness. Some clients have continued to occupy a space in a program with intensive supports for as long as three years after they are ready to transition out of the program. Rent supplements made available at the time when a client is ready to graduate out of an intensive program may address this bottleneck."

A number of practices and components of rent supplement programs were highlighted by the task group as ways to create a vibrant model of service. Moving forward rent supplement programs would be more effective if they were used more flexibly. Improve transparency and readily available information would improve the accessibility of subsidies for clients. The system in Niagara would benefit from:

- Clear and readily available information about individual subsidy programs accessible in one place. Providers and clients will then understand the scope and capacity of all rent supplement programs in the region.
- Offering shorter wait times by prioritizing immediate response for high-risk individuals or families experiencing homelessness or imminent risk of homelessness to prevent the loss of housing in the first place.
- The ability to support room rentals, such as secondary suites or rooming houses, which could increase the capacity of these programs and opportunities for individuals in a tight rental market where the current subsidies cannot keep pace with current apartment rental prices.
- Promote the capacity of current programs to permit pairing unrelated people on supplements as roommates, so that they would collectively have more rental purchasing power, that would give them access to higher cost units, which are not available to an individual with only one subsidy.
- Programs that are flexible enough to offer short-term support to individual whose housing loss or imminent housing loss are interfering with their continued participation in workforce.
- Access to discretionary funds for seniors that have particular hardships on the very limited incomes, to assist them in securing and making the transition into more suitable or affordable housing.
- A rental supplement that is paid to the renter and not the landlord which would reduce stigma and also reduce the landlords administrative burden as they would no longer need to connect with the subsidy program directly.

## **Recommendations**

The Niagara Region Poverty Network recommends the following:

That a review of existing rent supplement programs administered by NRH or others to examine capacity and scope of the program. The review should:

1. Explore the development of protocols to offer rent supplements at the time when a client is ready to graduate out of an intensive program.
2. Collate information about all rent supplement programs in the region with a goal of offering clear outlines of what they offer and how to access them. This should include a plan to offer ongoing updates on program changes to front line staff in community.
3. Examine the collated information about existing program to form the basis for a needs study of this type of housing support for the entire Niagara Region.
4. Explore best practices, innovations, and high impact rent subsidy programs from other jurisdictions to inform suggestions for local programs.
5. Examine the current guidelines for local rent supplement, housing first and other housing programs to see if any of the practices or policies identified in the exploration or outlined in this report could be incorporated into existing programs.
6. Explore options for the continued expansion of rent subsidies in Niagara