



**RENT SUPPLEMENT: A Key Component
to Effective Housing Strategy
The Muskoka Experience**

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RENT SUPPLEMENT: A Key Component to Effective Housing Strategy. The Muskoka Experience

Background

With the incomes of low income households falling further behind increases in rents in the last decade, rent supplements are increasingly recognized as a crucial component of any strategy to address homelessness and to assist those at risk of homelessness. While initiatives to increase the supply of affordable housing are important, it is critical to address the inability of low income households to pay for adequate housing and to assist low income households to access and retain housing in the market. Most local, provincial and national housing organizations continue to advocate for increased funding to rent supplement programs to address this critical need.

The case for more rent supplement programs was strengthened with the recent release of a study conducted in the City of Toronto called the Emergency Homelessness Pilot Project (EHPP). In this study, researchers evaluated a program which was set up to house the former Tent City occupants in Toronto in private market housing with the use of rent supplements. The study was particularly useful in assessing the validity of concerns about the ability of individuals and families who have been homeless for a considerable length of time to maintain tenancies in market housing, even with rent supplements. The consultants concluded that the EHPP has provided housing for people deemed “hard to house”, many of whom had been homeless for extended periods. 89% of the 108 households in the program remain housed (and another 11% are eligible to be re-housed) 18 months after the initiation of the program. At an estimated cost of \$11,631 (includes the OW/ODSP shelter component) per household per year, the EHPP is considered to be a cost-effective approach to housing people who have been homeless for long periods of time. This is 28% less than shelter and support cost for a person in the shelter system.

The current rent supplement program in Muskoka was originally established by the provincial government in November 1999. Muskoka was eligible for approximately 18 supplements. Under the program, however, landlords had to agree to designate particular units as rent supplement units and tenants from the social housing waiting list were assigned these units. With a low vacancy rate and relatively few rental units, there was no incentive for landlords to enter into rent supplement agreements with the local housing authority. Prior to May 2004, only one-third of the supplements earmarked for Muskoka were utilized.

Recently, the Ministry of Municipal Affairs and Housing announced changes to the rent supplement program. The expanded Strong Communities Rent Supplement Program allows for more flexibility in the allocation of the supplements to households in need, and does not require landlords to pre-designate particular units and rent supplement units. These changes have resulted in a dramatic increase in the take-up of available

supplements by landlords in Muskoka so that it is anticipated that by the end of March, 2005 all available supplements (approximately 18) will have been allocated.

Clearly there is a need for more rent supplement than is available through the provincial program. One in four tenant households in Muskoka pay 50% or more of income to rent and utilities, higher even than Toronto. A 2002 housing review commissioned by the District Municipality of Muskoka recommended a municipal rent supplement program, but the Municipality determined that it lacked sufficient resources to implement this recommendation.

Tenant Selection: Targeting Households in Greatest Need

One advantage in rent supplement programs is that they are able to prioritize households in greatest need. Chronological waiting lists for subsidized social housing units tend to favour more stable households and are unable to provide assistance immediately to households in crisis.

The method of selecting households for the Strong Communities Rent Supplement Program is flexible and determined by the service manager, in order to best reflect local priorities. Muskoka Community Services is using this opportunity to designate supplements to those in greatest need. Applicants are point-rated using the needs based approach to allocating subsidized housing which was in place in Ontario prior to the switch to the chronological system. Each household applying for the Strong Communities Rent Supplement is assessed points in the following categories: income, current accommodation costs, overcrowding, special circumstances and housing conditions/suitability.

Any applicant for rent supplement is required to submit an application for subsidized housing through Muskoka Housing, if they have not already done so. This requirement is designed to ensure that Muskoka has an ongoing program in place to address the needs of those at risk of homelessness and to respond to households in greatest need as they wait for subsidized housing in the non-profit sector. Households receiving rent supplement would, within two or three years (depending on the waiting list for the unit size in that community) have the option of moving into subsidized social housing.

In the event that a household in receipt of rent supplement becomes eligible for subsidized social housing in the same community, and declines to move into social housing, they would have the option of remaining in the private market unit and assume responsibility for paying the full market rent. In exceptional circumstances, requiring approval by the Service Manager, households may be permitted to remain in rent supplement units rather than moving into social housing. This ensures that the Strong Communities Rent Supplement Program operates in Muskoka either as a medium term solution for households at risk of homelessness, as they wait for their name to come to the top of the chronological system, or as a means of providing financial assistance to those in need so that they are able to establish a long term private market tenancy.

Results

Cost effective: Muskoka has been allocated approximately \$117,000 for the rent supplement program from the Ministry of Municipal Affairs and Housing. 15 rent supplements have already been put in place and half of these were implemented during the past 4 months

Homelessness Solution: The rent supplement has provided affordable, stable housing to people who are homeless or at imminent risk of homelessness.

Recommendations

That the federal government initiate a rent supplement program, either unilaterally or in collaboration with provinces, targeting households in greatest need.

That rural communities be included in funding which is largely limited to urban centers through the National Homelessness Initiative.

Feb 8, 2005

To Maureen Callaghan,

I am a 53 year old widow. I lost everything taking care of my husband through a lengthy illness. Later, I found employment and entered into a relationship with someone who sent me to the hospital with a fractured collar bone.

Fortunately, I was able to seek shelter at Interval House in Brattlebridge. Thankful as I was for their excellent assistance, I knew that it was temporary and I was, in fact, homeless and unemployed.

My search for affordable housing was frustrating as even single rooms were priced beyond my reach.

Subsidized housing seemed to be my only option and since I don't drive, commuting would have been a major problem. Then, I won the lottery in the form of a rental supplement. This provided the "hand up" that I so desperately needed.

This enabled me to find a clean, safe apartment close to midtown and within walking distance for most of my needs.

I feel integrated within the community and I have enough space to start a small, homebased, sewing business. My apartment will help establish my credibility in business, whereas, I would have felt stigmatized by living in subsidized housing. Most important to me, however, is that for the first time in nearly five years, I can embrace a new life in a place I can call home.

My sincere gratitude to all who have made it possible.

Karen

February 8, 2005

To Whom It May Concern:

My name is Brenda and I'm 42 years old. I left school at 16 years of age and went out to work. I worked in the food industry as a cook, waitress, server and kitchen manager. I raised two children and now I'm on my own. For four years I was renting a house and had to move out because I couldn't afford it. My daughter moved out and I gave up my cat and my dog and moved into a cabin. The cabin was \$600.00 a month and it wasn't winterized. That left me with nowhere to go once the colder weather arrived. I put my stuff into storage and took up an offer from a friend to use her couch. I had no other choice. Right now I'm on welfare and they only allow a single person \$520.00 a month and you just can't find a place for the \$325.00. I simply had nowhere to go.

Back in the fall I was told that there were some rent supplements for people in my situation so I went to a meeting and applied. I couldn't believe it when I got a call from the Community Homelessness Worker to say that I was going to receive a rent supplement as soon as I could find a suitable one bedroom apartment.

In January I moved into my apartment. The rent is \$85.00 a month and since moving in, I feel more secure and able to cope a little better especially with my health problems. I have fibromyalgia, chronic fatigue syndrome and heart disease. I am unable to work for the first time in my life.

Now that I'm no longer dealing with the stress of being homeless, I'm actually thinking about how to help others. I'm working on a cookbook of low cost meals that are nutritious and easy to prepare. I am including the cost of each meal and how many it will feed. I hope this will help other people like myself.

In closing, I am thankful for the rent supplement because if I didn't have this, who knows where I would be. Out on the street or living in a shelter?

Thank you.

Brenda

Advance

Affordable housing still scarce

Staff hope for more private interest in area's rent supplement program

Affordable housing needed

Homeless finding life hard in playground for Ontario's wealthy

Booming cottage country offers no haven for poor who feel forgotten amid the rich

Homelessness is hard to track

Affordability squeeze for Ontario Works recipients in Muskoka

A10 BRACEBRIDGE EXAMINER, Wednesday, March 17, 2004.

New group tackles affordable housing

Emergency home opens its doors

No money

to help homeless

Why is there no money for homeless?