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DATE: October 1, 2009

REPORT TITLE: **RENT BANK PROGRAM**

FROM: Janet Menard, Commissioner of Human Services

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### RECOMMENDATION

**That the Region of Peel, through Human Services, continue to administer the Rent Bank Program according to provincial rules.**

#### REPORT HIGHLIGHTS

- The stabilized Rent Bank program has been modified to improve consistency in Service Manager's fund administration and has stream-lined reporting requirements.
- In January 2009, as a part of the Poverty Reduction Strategy, the Province committed to stabilizing future Rent Bank funding at \$5 million annually.
- Since the inception of the Rent Bank Program, on January 1, 2005, a total of 2229 households in the Region of Peel have received assistance to avoid eviction.
- Council is required to ensure that the Rent Bank program will continue to be administered on a grant basis.
- Council's endorsement is required by October 31, 2009 confirming that the Region of Peel will continue to administer the program according to provincial rules as outlined in the Rent Bank legal agreement.

### DISCUSSION

#### 1. Background

The Region of Peel has had a Rent Bank Program in place since April 1999, funded initially through 100% municipal funds. On March 29, 2004, the Government of Ontario announced the Provincial Rent Bank funding; a reserve fund was established to provide additional Rent Bank funding annually to the existing program.

The Rent Bank program is one of the two components in the Preventing Homelessness in Peel Program (PHIPP). This initiative, which is internally managed and administered, provides one-time emergency assistance to low-income residents of Peel in order to avoid household evictions. The goal of the Rent Bank Program is to assist individuals and families with the payment of rental arrears, mortgage arrears, securing affordable accommodations through the payment of first and last months rent, moving expenses and the payment of debts that threaten housing stability. The overall purpose is to promote and maintain housing stability and achieve cost savings through reducing the usage of more costly interventions, including emergency shelters.

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The Rent Bank program has operated with considerable municipal autonomy and as a result, there are few practices that are standard across the province. For instance, similar clients in different municipalities may receive funds as a grant in one municipality and as a loan in another. Peel Region has always operated the program on a grant basis. In January 2009, as a part of the Poverty Reduction Strategy, the Province committed to stabilizing future Rent Bank funding at \$5 million annually; the Region's portion was allocated at \$377,335. The stabilized Rent Bank program has therefore been modified to improve consistency in Service Manager's fund administration and has stream-lined reporting requirements.

**2. Provincial Guidelines / Criteria to be Eligible for Funding**

Provincial guidelines are mandatory minimum criteria with respect to the use of Provincial program funding. The Region of Peel may establish local rules that are more stringent than the Provincial rules. The Region of Peel can also establish rules for use of non-provincial program funding – provincial rules are optional for these funds.

The Rent Bank agreement includes the following client eligibility criteria:

- The applicant must be a resident of the Region of Peel and meet requirements for status in Canada;
- The applicant must be in immediate danger of losing his or her residence due to unpaid rent;
- The applicant's household income must be at or below the Household Income Limits (HILS) as set by the Ministry from time to time; Service Managers can show discretion. In Ontario, there are four sets of HILS for all urban areas with a population greater than 2,500 and two sets for rural and remote areas. For areas where rental markets were not available, HILS were based on costs to own, maintain, and service single detached units. The HILS amount for the Region of Peel is outlined in the table below.

	Bachelors	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
2009	\$22,500	\$28,500	\$35,000	\$43,000	\$50,000
2008	\$22,000	\$28,000	\$33,500	\$42,000	\$47,500

- The applicant's household must not be receiving Rent-Geared-to-Income (RGI); and
- Program funding for each applicant shall not exceed two times the average market rent (AMR) for the Recipient's area as set by the Ministry from time to time.

The eligible recipients of the Provincial Rent Bank Program are low-income residents of Peel who are not in receipt of Ontario Works or Ontario Disability Support Program benefits. These funds are intended to assist households with up to a maximum of two months rental arrears. Municipal funding to the PHIPP program to support Rent Bank applicants is directed to supporting those who are ineligible for some or all components of the Provincial Rent Bank program. For example, the majority of households who contact the Region of Peel for assistance are in rental arrears greater than two months. In order to stabilize households and maintain existing accommodation, the first two

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months of arrears is issued under the Provincial Rent Bank funding. The additional arrears are funded 100 per cent through municipal funding. In addition, the Provincial Rent Bank Guidelines indicate that assistance can only be provided once every 24 months. Individuals in difficulty within the 24 month period are assessed for special circumstance assistance under the municipal funding for the Rent Bank program.

**3. Financial and reconciliation Issues**

The Rent Bank 2009-2010 funding model is based on an equal distribution of Service Manager population, renter population and core housing need. Service Managers will be eligible for 2010-2011 funding as early as spring 2010. The Ministry of Municipal Affairs and Housing (MMAH), is required to put in place a reconciliation process to deal with unspent funds at this time. For new Rent Bank funds, MMAH is planning to conduct its first reconciliation process in January 2011.

**4. Findings**

The following chart illustrates the Rent Bank Program average cost per household and the average number of households assisted, since inception to the end of 2008 and the first and second quarters of 2009.

Year	2005 - 2008	2009 Q1 & Q2
Average number of recipients per year	437.5	479
Average dollar amount issued per household	\$1,204.89	\$1,318.09

- The average dollar amount issued per household increased by 9 percent from the Rent Bank program inception to the end of 2008, compared to Q1 and Q2 of 2009.
- It is projected that we will continue to experience a substantial increase in the number of households served and the average dollar amount issued per household, as compared to previous years.

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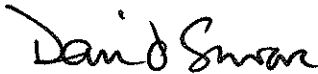
**RENT BANK PROGRAM****CONCLUSION**

The Provincial Rent Bank program has been modified to improve consistency in Service Manager fund administration and streamline reporting requirements. The changes to the program are not anticipated to significantly impact Peel Region current administration of the program or the eligibility criteria. The new funding model for 2009-2010 will be based on an equal weighting of service manager population, core housing need and renter population. Council resolution is required by October 31, 2009 confirming that the Region of Peel will adopt provincial rules outlined in the Rent Bank legal agreement for the purpose of administering the program. The funds distributed through the Rent Bank program will continue to assist low-income residents of Peel to circumvent eviction and secure their accommodations.



Janet Menard

Commissioner of Human Services

**Approved for Submission:**

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