

Staff Report for Decision

DATE OF MEETING November 18, 2020

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SUBJECT HOUSING FIRST RENT SUPPLEMENTS

OVERVIEW

Purpose of Report

To inform the Finance and Audit Committee of the Housing First Rent Supplement Program and obtain approval to provide \$35,000 for one year's worth of rent supplement funding to the Nanaimo Region John Howard Society.

Recommendation

That the Finance and Audit Committee recommend that Council direct Staff to provide \$35,000 in funding from the Housing Legacy Reserve to the Nanaimo Region John Howard Society in order to continue to fund the Housing First Rent Supplement Program for 2021.

BACKGROUND

In 2015, the City of Nanaimo provided a one-time grant of \$45,000 in support of Nanaimo's Housing First Initiative. The program started operation in 2016. The program places unhoused people or those at risk of becoming homeless into market rental units with staff support provided to those individuals funded through the Federal government's Reaching Home Strategy (previously the Homeless Partnering Strategy). An additional \$45,000 of City funding was provided in 2018 from the Housing Legacy Reserve (HLR). The Nanaimo Region John Howard Society (NRJHS) was awarded the grant and has partnered with the City to issue the funding and provide supports. NRJHS also issues similar rent supplements through three separate BC Housing funding streams. A summary of all John Howard Society managed rent supplement programs is included as Attachment A.

Individuals that receive the rent supplements live in private market housing. Supplements are provided directly to the landlord. The amount of rental supplement varies based on a person's income and cost of their unit with an upper limit of \$300 per monthly supplement. Individuals receive a supplement until they no longer need it or are switched to another form of subsidy. NRJHS re-evaluates the program every year to see who could move over to another subsidy or sooner if something changes in their income or where they live. Since 2016, NRJHS has supported a total of 45 individuals who maintain permanent housing through these supplements, including 27 individuals since funding was renewed in 2018. Individuals receiving subsidies were either homeless or at risk of becoming homeless before receiving the subsidies.

Those individuals receiving the subsidies are generally referred to the program by service providers in the community. A community oversight committee was established to review every referral. The members of the oversight committee are drawn from housing agencies and other community agencies who understand the challenges of chronic and episodic homelessness and often know about the clients. NRJHS also reports annually to the Nanaimo Homeless Coalition

on who is housed and works with other agencies to provide wraparound supports for those who are housed. |

DISCUSSION

The City funding that was provided in 2018 will run out by the end of this year. NRJHS is requesting that the City provide an additional \$35,000 in funding to continue the Housing First housing subsidies program for an additional year. Should demand be lower than anticipated than the funds would be carried forward to future years beyond 2021. NRJHS's funding request is included as Attachment B. The funding source would once again be the Housing Legacy Reserve.

Housing Legacy Reserve

The Housing Legacy Reserve (HLR) fund was established in 2005 to support and facilitate the implementation of affordable housing policies including the development of affordable housing projects, initiatives and research. The projected balance available in the HLR is \$ 2,626,896.

On 2020-JUL-27, Council committed \$90,603 from the HLR (funds received through the Online Accommodation Platform (OAP) tax) to support a rent bank which is also to be administered by NRJHS. The Housing First Rent Supplement Program differs from the rent bank in that, unlike rent bank loans, rent supplements are not expected to be paid back.

Policy Support and Need

The need for additional housing supports in Nanaimo is evident. The Point-in-Time (PIT) count conducted on 2020-MAR-12 documented 433 people living unsheltered in Nanaimo. This represents a 25% increase in the number of homeless in Nanaimo compared to the 2018 PIT count. Organizations working directly with unsheltered individuals estimate the number of homeless in Nanaimo to be closer to 600. Continuing the rent supplements program will help those at risk of becoming homeless to be housed in market housing dispersed throughout the community.

Continuing to support low income and special needs housing, including providing between 100 to 120 rent supplements to facilitate independent living, is included as a policy direction and action within the *Affordable Housing Strategy*. The provision of rent supplements is also identified within *Nanaimo's Response to the Homelessness Action Plan*. |

OPTIONS

1. That the Finance and Audit Committee recommend that Council direct Staff to provide \$35,000 in funding from the Housing Legacy Reserve to the Nanaimo Region John Howard Society in order to continue to fund the Housing First Rent Supplement Program for 2021.
 - The advantages of this option: The funding will continue to support Nanaimo residents to find and maintain permanent market housing and both respond to and prevent homelessness. By placing individuals in existing market housing, the

program can respond quickly to the need for more affordable housing and can integrate and disperse access to existing market housing units throughout the City. Supporting a rent supplement program is consistent with the objectives of the Affordable Housing Strategy and Nanaimo's Response to the Homelessness Action Plan.

- The disadvantages of this option: By supporting individuals in finding and maintaining market housing, the program is somewhat dependent on private market landlords and vacancies in rental housing. Unlike using funding to construct new supportive or affordable units, the funding will not add units to the supply of rental stock.
 - Financial Implications: The requested funding will require a commitment of \$35,000 from the Housing Legacy Reserve. This funding request represents less than 1.5% of the current HLR balance and will not impact any other HLR funding commitments.
2. That the Finance and Audit Committee recommend that Council deny providing \$35,000 in funding from the Housing Legacy Reserve to the Nanaimo Region John Howard Society in order to continue to fund the Housing First Rent Supplement Program.
- The advantages of this option: Not committing the requested \$35,000 in funding will free up the Housing Legacy Reserve funds for other projects.
 - The disadvantages of this option: Not continuing the funding will limit the ability of NRJHS to support existing clients in their rent supplement programs. It may result in some individuals experiencing homelessness that may otherwise have been able to maintain their housing if the supplement funding was in place.
 - Financial Implications: The requested funding will remain within the Housing Legacy Reserve.
3. That the Finance and Audit Committee provide alternative direction. |

SUMMARY POINTS

- The City has partnered with the Nanaimo Region John Howard Society since 2015 to provide rent supplements for individuals experiencing and at risk of experiencing homelessness.
- NRJHS is requesting \$35,000 in additional funding to continue the program in 2021.
- Supporting a rent supplement program is consistent with the goals and objectives of the *Affordable Housing Strategy* and *Nanaimo's Response to the Homelessness Action Plan*.

ATTACHMENTS

- ATTACHMENT A: Nanaimo Region John Howard Society Rental Supplement Programs and Supplements Overview
- ATTACHMENT B: Nanaimo Region John Howard Society - City of Nanaimo Rental Supplement Proposal

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