

**Subject: 2025 Update to Municipal Housing Allowance Programs and the
Home for Good Housing Allowance Program**

File Number: ACS2025-CSS-GEN-006

Report to Community Services Committee on 22 April 2025

and Council 30 April 2025

**Submitted on April 9, 2025 by Clara Freire, General Manager, Community and
Social Services**

Contact Person: Kale Brown, Interim Director, Housing and Homeless Services

613-580-2424 x33014, kale.brown@ottawa.ca

Ward: Citywide

**Objet : Mise à jour sur les programmes municipaux d'allocations de
logement et le programme d'allocations Logements pour de bon en
2025**

Numéro de dossier : ACS2025-CSS-GEN-006

Rapport présenté au Comité des services communautaires

Rapport soumis le 22 avril 2025

et au Conseil le 30 avril 2025

**Soumis le 2025-04-09 par Clara Freire, Directrice générale-Services sociaux et
communautaires**

Personne ressource : Kale Brown, intérimaire Directeur

613-580-2424 x33014, kale.brown@ottawa.ca

Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That Community Services Committee recommend Council approve:

- 1) The update to the housing allowance benefits framework, rules, eligibility and subsidy calculation of the municipally funded housing allowance programs under the City Homelessness Funding (CHF) program, in accordance with the framework outlined in this report;**
- 2) That eligible households for the municipal housing allowance benefits framework be limited to those experiencing homelessness for an interim period, pending confirmation of additional funding from upper levels of government, at which time the target population will revert back to include both low-income households or people experiencing homelessness, as was approved by council in 2021; and**
- 3) The update to the housing allowance framework, rules and subsidy calculation of the Home for Good program under the Homelessness Prevention Program (HPP), in accordance with the framework outlined in this report.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité des services communautaires recommande au Conseil d'approuver ce qui suit :

- 1) Mettre à jour le cadre, les règles, l'admissibilité et le calcul des prestations d'allocations de logement pour les programmes d'allocations de logement financés par la Ville et regroupés dans le programme Financement municipal de lutte contre l'itinérance (FMLI), conformément au cadre décrit dans le présent rapport.**
- 2) Limiter l'admissibilité au cadre de prestations d'allocations de logement aux ménages qui sont itinérants pendant la période intérimaire d'attente de la confirmation d'un financement supplémentaire provenant d'échelons supérieurs de gouvernement et, après cette confirmation, reviendra à inclure à la fois les ménages à faible revenu et les personnes en situation d'itinérance dans le groupe admissible, conformément à ce qui a été approuvé par le Conseil en 2021.**
- 3) Mettre à jour le cadre, les règles et le calcul des prestations pour le programme Logements pour de bon inclut dans le Programme de prévention de l'itinérance, conformément au cadre décrit dans le présent rapport.**

EXECUTIVE SUMMARY

The purpose of this report is to:

- 1) Align calculation methods and apply program refinements to four of nine housing allowance benefit programs currently administered by the City of Ottawa; and
- 2) Outline an interim strategy to continue to operate housing allowance benefit programs for an indefinite period pending confirmation of additional funding from upper levels of government for housing allowance benefits, including:
 - Implementing under current delegated authority a municipal spending cap of \$7.1 million for 2025 over the existing approved budget; and
 - Establishing households experiencing homelessness as the exclusive target group by temporarily removing eligibility for low-income households who are at risk of homelessness.

As approved by council in 2021, current target groups for municipally funded housing allowance benefit programs include low-income households or people experiencing homelessness. These target groups allow for broader support across vulnerable groups, including households who are at risk of homelessness. In the current environment of funding uncertainty, prioritizing households experiencing homelessness allows the City to maximize limited resources while addressing urgent shelter pressures. Once new funding from upper levels of government is secured, the target population for municipally funded programs will revert back to including low-income households and people experiencing homelessness.

Background and Analysis

A housing allowance benefit is a monthly subsidy provided to low-income households to assist with housing costs. Unlike other forms of housing assistance such as rent-gear-to-income (RGI) assistance, the housing allowance benefit is tied to the household and not to a physical housing unit, allowing the benefit to move with the household.

Housing allowance benefits are a key outflow mechanism for households exiting the shelter system, representing a pathway to long-term and permanent housing for people at risk of, or experiencing, homelessness. As of December 31, 2024, there were 14,721 households on the centralized wait list for rent geared to income housing, of which approximately 2,304 households have a Local Priority Access status – homelessness.

With limited availability of Rent-Geared-to-Income (RGI) housing units, partly due to low vacancy rate, housing allowance benefits represent the most effective mechanism to support households exiting the shelter system.

Ottawa's shelter system continues to operate over capacity. The City is currently operating three temporary Physical Distancing-Emergency Overflow Centres (PD-EOCs) supporting more than 150 single adults experiencing homelessness per night. Within the Family Shelter System, 70 per cent of families are in overflow facilities including hotels, motels and post-secondary facilities. As such, there remains a need for the continuation of a housing allowance benefit program as a means of mitigating unprecedented pressures in the emergency shelter system.

Investment in housing allowances is a significantly more cost-effective solution than relying on shelters. Currently, it costs approximately \$36,500 per year to support one household in the emergency shelter system. In contrast, it costs approximately \$9,500 - \$12,500 per year to support one household with a housing allowance. As such, housing allowance benefits align with the City's focus on permanent housing solutions, with the use of emergency shelters as a last resort.

The City currently administers nine housing allowance benefit programs totalling over \$12.7 million annually, and supporting over 1,400 households within market rent housing. These programs have been cost shared with upper levels of government, with the City currently providing over \$8.5 million (67 per cent) and the federal/provincial governments providing approximately \$4.2 million (33 per cent) in 2024. In 2024, the Home for Good (HFG) housing allowance program, which is funded by the Province under the Homelessness Prevention Program (HPP), totaled \$4.2 million.

Out of the nine housing allowance benefit programs currently in operation, five are active and four are legacy programs, meaning they only continue to support existing households with new households no longer being added.

From 2021 to 2024, 1,926 housing allowance benefits have been created for people living on low income and people experiencing homelessness. The need for housing allowance benefits is growing, with 610 new housing allowance benefits created in 2023 and 996 in 2024. This increase in demand is expected to continue for the foreseeable future. There is an immediate and ongoing need to maintain and expand rental affordability programs for low-income households.

To date, there has been no announcement regarding federal and provincial funding beyond the 2024-25 allocation of the Canada-Ontario Housing Benefit (COHB)

program, under the National Housing Strategy. Without this funding confirmation it is very difficult to plan for the future of the City's housing allowance benefits programs. In the short-term, municipal funding solutions will be required to support the ongoing provision of housing allowance benefits.

By continuing to fund municipal housing allowance benefits, the City will contribute to housing stability for households enrolled in these programs.

If approved, the recommendations outlined within this report would:

- Update the housing allowance framework of the municipally funded housing allowance programs under the CHF program and the HPP to maximize available funding for housing benefits programs and to further protect tenants;
- Continue to fund existing housing allowance benefit recipients to ensure housing stability; and
- Support housing allowance benefit program growth by establishing households *experiencing homelessness* as the exclusive target group by temporarily removing eligibility for low-income households who are *at risk of homelessness*.

Financial Implications

The City's 2024-25 COHB allocation was anticipated in April 2024, however confirmation of the City's COHB allocation was only received in September 2024. As the funding allocation was delayed, Housing and Homelessness Services continued to add households into the municipally funded housing allowance programs. The expectation was that these households would be moved into the COHB program once the funding allocation was announced.

The September 2024 COHB allocation of \$2.2 million, with an initial limit of 247 households, was significantly below expectations based on prior year's allocations. In 2023-24 the City received a base allocation of \$2.5 million with a subsequent top-up of \$1.8 million for a total of \$4.3 million in COHB funding, which allowed for the onboarding of 382 households into the program.

The \$2.2 million allocation for 2024-25 with a limit of 247 households meant there was additional pressure on the municipal housing allowance program. This pressure was offset by new funding streams through the provincial and federal governments that contributed to shelter costs in municipal funding envelopes within City Homelessness Funding (CHF). Continuing to offer municipal housing allowance benefits was critical in

maintaining adequate shelter capacity given these benefits are the primary outflow mechanism. The 2024-25 COHB allocation of 247 households has been fully utilized as of the end of February. In March of 2025, the City received confirmation from MMAH that an additional 12 households could be onboarded into the provincial COHB program ,for a total of 259 households. However, there are households who remain in the municipal housing allowance programs that will need to be funded into 2025.

The total anticipated funding required for municipally funded housing benefits in 2025 will be \$11.2 million. \$4.1 million will be funded through existing housing allowance budgets in the Community Homelessness Funding (CHF) envelope. The remaining \$7.1 million represents the spending requirement over the existing approved budget for municipally funded housing allowance benefits.

For the remainder of 2025, Housing and Homelessness Services will be implementing a \$7.1 million spending cap over the existing approved budget for municipally funded housing allowance benefits. This spending cap will allow the City to:

- Keep people housed by continuing to fund existing households that were added in 2024 after COHB was applied;
- Continue to fund households in the two Enhanced Housing Allowance Benefit (EHAB) programs and legacy programs; and
- Add approximately 25 new households per month, to ensure continued outflow from the emergency shelter system.

A provincial COHB allocation for 2025-26 will reduce the number of housing allowance benefits that would otherwise need to be funded under the \$7.1 million municipal spending cap. Staff continue in contact with the Province to get status updates on the required COHB allocation for 2025-26.

If the COHB allocation for 2025-26 does not become available, the municipal funding cap will be funded using resources identified in the Housing Services [Long Range Financial Plan 2020-30 Update](#) which were originally intended for a new transitional housing strategy. This funding includes both capital and operating expenditures for the acquisition, renovation and ongoing operation of new transitional housing facilities.

Housing and Homelessness Services receives federal and provincial funding from a variety of sources. It is standard process under most programs that funding commitments are made on a 2-3-year basis and often aligned to election cycles. Staff

continuously review funding opportunities that align to local needs. Upon renewal of the National Housing Strategy, staff will undertake a full review to adjust funding sources and approaches based on current program offerings.

RÉSUMÉ

Le présent rapport vise les fins qui suivent :

- 1) Harmoniser les méthodes de calcul et améliorer quatre des neuf programmes de prestations d'allocations de logement actuellement administrés par la Ville d'Ottawa;
- 2) Définir une stratégie provisoire pour continuer de gérer les programmes de prestations d'allocations de logement pendant la période indéterminée d'attente de la confirmation d'un financement supplémentaire provenant d'échelons supérieurs de gouvernement pour les prestations d'allocations de logement, y compris :
 - Limiter les dépenses municipales à 7,1 M\$ en 2025 par rapport au budget approuvé dans le cadre des pouvoirs délégués actuels;
 - Établir comme groupe cible exclusif les ménages en situation d'itinérance en supprimant de façon temporaire l'admissibilité des ménages à faible revenu qui sont à risque d'itinérance.

Comme l'a approuvé le Conseil en 2021, les groupes cibles actuels pour les programmes d'allocations de logement financés par la Ville comprennent les ménages à faible revenu ou les personnes en situation d'itinérance. Ces groupes cibles permettent d'offrir un soutien plus large auprès des groupes vulnérables, y compris les ménages qui sont à risque d'itinérance. Dans la situation actuelle où le financement est incertain, le fait d'accorder la priorité aux ménages en situation d'itinérance permet à la Ville de maximiser le peu de ressources dont elle dispose tout en s'attaquant aux manques pressants dans les refuges. Une fois que du nouveau financement sera obtenu auprès des autres ordres de gouvernement, on réintégrera de nouveau les ménages à faible revenu et les personnes en situation d'itinérance aux groupes de population cibles pour les programmes financés par la Ville.

Contexte et analyse

Une prestation d'allocation de logement est une subvention mensuelle accordée à des ménages à faible revenu pour les aider à payer leurs frais de logement. Contrairement

à d'autres formes d'aide au logement comme le loyer proportionné au revenu, la prestation de logement est liée au ménage et non à une unité de logement physique, ce qui permet à l'allocation de se déplacer en même temps que le ménage.

La prestation d'allocation de logement est un mécanisme clé de sortie pour les ménages qui quittent le système de refuges; elles représentent une voie vers un logement permanent à long terme pour les personnes qui risquent l'itinérance ou sont déjà en situation d'itinérance. Au 31 décembre 2024, il y avait 14 721 ménages sur la liste centralisée d'attente d'un logement au loyer proportionné au revenu, dont environ 2 304 ménages ayant un statut d'accès prioritaire local – itinérance. Compte tenu de la disponibilité limitée de logements au loyer proportionné au revenu, en partie en raison du faible taux d'inoccupation, les prestations d'allocations de logement représentent le mécanisme le plus efficace pour soutenir les ménages qui sortent du système de refuges.

Le système de refuges d'Ottawa continue de fonctionner au-delà de sa capacité. La Ville gère actuellement trois centres temporaires de distanciation physique et de débordement d'urgence qui accueillent plus de 150 adultes célibataires itinérants par nuit. Dans le système de refuges pour les familles, 70 % des familles sont hébergées dans des installations de débordement, notamment des hôtels, des motels et des établissements d'enseignement postsecondaire. Il existe donc un besoin urgent de poursuivre le programme de prestations d'allocations de logement afin d'atténuer les pressions sans précédent sur le système de refuges d'urgence.

L'investissement dans les allocations de logement est une solution nettement plus rentable que le recours aux refuges. À l'heure actuelle, il en coûte à la Ville environ 36 500 \$ par année pour soutenir un ménage dans le système de refuges d'urgence. En revanche, il lui en coûte environ 9 500 \$ à 12 500 \$ par année pour soutenir un ménage par une allocation de logement. Ainsi, les prestations d'allocations de logement cadrent avec les priorités de la Ville de trouver des solutions permanentes pour le logement et de recourir aux refuges d'urgence en dernier ressort.

La Ville administre actuellement neuf programmes de prestations d'allocations de logement qui remettent plus de 12,7 M\$ en prestations d'allocations annuelles de logement et soutiennent plus de 1 400 ménages dans des logements au loyer au prix du marché. Les coûts de ces programmes ont été partagés avec des échelons supérieurs de gouvernement. En 2024, la Ville a fourni plus de 8,5 M\$ (67 %) et les gouvernements fédéral et provincial ont fourni environ 4,2 M\$ (33 %). Le montant de 4,2 M\$ correspond aux dépenses en fin d'exercice 2024 pour le programme Logements

pour de bon, qui est financé par le gouvernement provincial dans le cadre du Programme de prévention de l'itinérance.

Des neuf programmes de prestations d'allocations de logement actuellement en vigueur, cinq sont actifs. Les quatre autres sont des programmes hérités; ils continuent de soutenir les ménages déjà inscrits, mais aucun nouveau ménage n'est ajouté.

De 2021 à 2024, 1 926 prestations d'allocations de logement ont été créées pour des groupes cibles comme les personnes à faible revenu et les personnes en situation d'itinérance. Le besoin de prestations d'allocations de logement est toutefois à la hausse : 610 nouvelles prestations d'allocations de logement ont été créées en 2023 et 996, en 2024. Cette augmentation de la demande devrait se poursuivre dans un avenir prévisible. Il existe un besoin immédiat et continu de maintenir et d'élargir les programmes d'abordabilité des logements locatifs pour les ménages à faible revenu.

À ce jour, aucune annonce n'a été faite au sujet de fonds des gouvernements fédéral et provincial, outre ceux destinés à l'Allocation Canada-Ontario pour le logement (ACOL) pour 2024-2025 dans le cadre de la stratégie nationale sur le logement. Sans cette confirmation de financement, il est très difficile de planifier l'avenir des programmes de prestations d'allocations de logement de la Ville. À court terme, les solutions de financement municipales devront soutenir la poursuite sans interruption des prestations d'allocations de logement.

En continuant de financer les prestations municipales de logement, la Ville contribuera à la stabilité du logement pour les ménages qui en bénéficient.

Si elles sont approuvées, les recommandations formulées dans le présent rapport permettront de :

- mettre à jour le cadre des prestations d'allocations de logement pour les programmes d'allocations de logement financés par la Ville et regroupés dans le programme Financement municipal de lutte contre l'itinérance et le Programme de prévention de l'itinérance afin de maximiser le financement disponible pour les programmes de prestations d'allocations de logement et de mieux protéger les locataires;
- continuer de financer les bénéficiaires actuels de prestations d'allocations de logement afin de garantir la stabilité de leur logement;

- soutenir la croissance du programme de prestations d'allocations de logement pour les ménages en situation d'itinérance en faisant de ces derniers le groupe cible exclusif jusqu'à ce que des fonds supplémentaires soient disponibles.

Répercussions financières

Le montant alloué par la Ville à l'ACOL pour 2024-2025 devait être connu en avril 2024, mais la confirmation du montant n'a été reçue qu'en septembre 2024. Comme l'allocation de financement a été retardée, les Services du logement et de la lutte contre l'itinérance ont continué d'ajouter des ménages dans les programmes d'allocations de logement financés par la Ville. Ces ménages devaient ensuite être transférés dans le programme de l'ACOL après l'annonce de l'allocation de financement.

Le montant confirmé pour l'ACOL en septembre 2024 de 2,2 M\$ pour une limite initiale de 247 ménages est nettement inférieur aux attentes basées sur les allocations de l'année précédente. En 2023-2024, la Ville a reçu une allocation de base de 2,5 M\$ et un complément subséquent de 1,8 M\$, ce qui a porté le total à 4,3 M\$ et permis l'intégration de 382 ménages au programme.

Les 2,2 M\$ alloués pour 2024-2025 et la limite de 247 ménages ont accru la pression exercée sur le programme municipal d'allocations de logement. Cette pression a été compensée par de nouveaux volets de financement des gouvernements provincial et fédéral qui ont contribué aux coûts de logement dans le cadre du programme Financement municipal de lutte contre l'itinérance. Il était essentiel de continuer d'offrir des prestations municipales d'allocations de logement pour maintenir une capacité adéquate d'hébergement, étant donné que ces prestations constituent le principal mécanisme de sortie. Le montant alloué pour 2024-2025 à l'ACOL pour 247 ménages a été entièrement utilisé à la fin du mois de février. En mars 2025, la Ville a reçu la confirmation du ministère des Affaires municipales et du Logement (MAML) que 12 ménages supplémentaires pourraient être intégrés à l'ACOL. Il reste toutefois des ménages dans les programmes municipaux de prestations d'allocations de logement qui doivent être financés en 2025.

Pour le reste de l'année 2025, les Services du logement et de la lutte contre l'itinérance limiteront les dépenses à 7,1 M\$ par rapport au budget approuvé pour les prestations d'allocations de logement financées par la Ville. Ce plafond de dépenses permettra à la Ville de :

- continuer de financer les ménages qui ont été ajoutés en 2024 au lieu d'être ajoutés à l'ACOL et qui sont toujours inscrits à un programme de la Ville;

- continuer de financer des ménages dans les deux programmes de prestations d'allocations de logement bonifiées et des programmes hérités;
- ajouter environ 25 nouveaux ménages par mois pour assurer la continuité des sorties du système d'hébergement d'urgence.

Le financement total prévu pour les prestations d'allocations de logement financées par la Ville en 2025 sera de 11,2 M\$: 4,1 M\$ proviendront des budgets établis pour les prestations d'allocations de logement prévues au programme Financement municipal de lutte contre l'itinérance et le solde, soit 7,1 M\$, équivaut au plafond des dépenses établi par rapport au budget approuvé.

Une allocation provinciale à l'ACOL pour 2025-2026 réduira le nombre de prestations d'allocations de logement qui devraient autrement être financées dans le cadre du plafond de dépenses municipales de 7,1 millions de dollars. Le personnel continue de communiquer avec le gouvernement provincial pour obtenir des mises à jour sur le montant requis pour l'ACOL en 2025-2026.

Si ce montant pour 2025-2026 n'est pas disponible, le montant plafonné sera financé à l'aide des ressources indiquées dans la [Mise à jour du Plan financier à long terme pour les services de logement 2025-2030](#), qui étaient initialement prévues pour une nouvelle stratégie de logement de transition. Ce financement comprend les dépenses en immobilisation et de fonctionnement pour l'acquisition, la rénovation et le fonctionnement continu de nouveaux logements de transition.

Les Services du logement et de la lutte contre l'itinérance reçoivent des fonds fédéraux et provinciaux de diverses sources. Il est habituel, dans le cadre de la plupart des programmes, de prendre des engagements de financement de deux à trois ans. Les engagements sont en outre souvent alignés sur les cycles électoraux. Le personnel étudie régulièrement les possibilités de financement qui cadrent avec les besoins locaux. Lors du renouvellement de la stratégie nationale pour le logement, le personnel entreprendra un examen complet afin d'ajuster les sources et les approches de financement en fonction des programmes en cours.

BACKGROUND

Housing allowance benefit programs administered by the City play an integral role in providing financial stability for low-income households and provide access to permanent affordable housing for individuals and families experiencing homelessness. Housing allowance benefits are provided either as a rent subsidy payment directly to a landlord

or as a housing allowance benefit directly to a household, with the intent to support household rental affordability and long-term housing stability. Unlike the 16,502 rent-g geared-to-income (RGI) units within social housing communities (community housing) which were specifically built and funded to provide RGI housing, housing allowance benefit programs are targeted for households looking for accommodations within market rent units either with a non-profit, co-op or private sector landlord (market rent housing).

By continuing to fund municipal housing allowance benefits, the City contributes to housing stability for vulnerable households. In addition, updating the housing allowance framework of the municipally funded housing allowance programs allows the City to maximize available funding for housing benefit programs and to further protect tenants.

Housing and Homelessness Investment Plan – Supports to Housing:

On May 11, 2011, City Council approved \$14 million under the Housing and Poverty Reduction Investment Plan Report # [ACS2011-COS-CSS-0005](#). The plan included seven investment envelopes, one of which is rent subsidies, now more commonly referred to as housing allowance benefits (Envelope #4).

Home for Good (HFG):

In 2016, the Home for Good (HFG) Provincial program was created to prevent and address homelessness. The program provides funding for supportive housing, case management, peer workers, and housing subsidies. Funding is targeted to people experiencing homelessness within the four provincial priority groups, including the chronically homeless, Indigenous, youth, and people exiting provincial institutions. The HFG housing allowance benefit program has always been exclusively available for these target populations.

National Housing Strategy:

The Canada-Ontario Housing Benefit (COHB) was established in 2019 as part of the 2017 National Housing Strategy (NHS), a 10-year \$40 billion national plan to increase access to housing, reduce housing need and achieve better housing solutions across the housing continuum. The City has received funding allocations in the amount of \$13.9 million under the COHB between 2020-2025.

On April 28, 2021, Council approved the Housing and Homelessness Investment Plan – Housing Subsidies Report # [ACS2021-CSS-GEN-005](#), where the municipal housing allowance benefits were aligned to mirror the Canada-Ontario Housing Benefit (COHB) program.

On May 23, 2024, Council approved the Homelessness Prevention Program Investment Plan 2023-2024 Report # [ACS2023-CSS.-GEN-007](#) where the City-funded Housing and Homelessness Investment Plan (HHIP) was consolidated into the City Homelessness Funding (CHF) program.

Currently, the City of Ottawa administers the following nine housing allowance programs:

- 1) **Family First – Singles** is a housing allowance program that supports single individuals who are experiencing homelessness access permanent affordable housing.
- 2) **Family First – Households** is a housing allowance program that supports families who are experiencing homelessness access permanent affordable housing.
- 3) **Ottawa Municipal Housing Benefit (OMHB)** is a housing allowance program that supports families who are experiencing homelessness access permanent, affordable housing.
- 4) **Home for Good** is a housing allowance program that provides housing assistance and support services to people experiencing homelessness within the following four provincially designated priority areas:
 - 1) chronic homelessness,
 - 2) youth homelessness,
 - 3) Indigenous homelessness, and
 - 4) and Homelessness following transitions from provincially-funded institutions and service systems (e.g., hospitals and prisons).
- 5) **Large Family Pilot** is a housing allowance program for large, chronically homeless families (7+ members) who currently reside within the emergency shelters or offsite services. The pilot aimed to house a minimum of 5 families.
- 6) **Enhanced Housing Allowance Benefit (EHAB)- Legacy** is for single individuals over the age of 18 and who are experiencing homelessness.

- 7) **Family Direct Delivery- Legacy.** These housing allowances benefits were offered to families who were experiencing homelessness or at risk of homelessness.
- 8) **Target Group 68- Legacy.** These housing allowances benefits were offered to single individuals aged 50-59 who were experiencing homelessness or at risk of homelessness.
- 9) **Family First- Legacy.** These housing allowances benefits were offered to families who were experiencing homelessness or at risk of homelessness.

Of the nine housing allowance programs, one through five are currently ongoing, while legacy programs six through nine are gradually being phased out.

DISCUSSION

Housing and Homelessness Services is updating the housing allowance framework, rules and subsidy calculation of the municipally funded housing allowance programs under the City Homelessness Funding (CHF) program and the Provincially funded Homelessness Prevention Program (HPP).

MMAH AMR and City Benchmark Rents

The Ministry of Municipal Affairs and Housing (MMAH) Average Market Rent (AMR) is defined as the average expense of market rent in the City of Ottawa, which is provided by the Canada Mortgage and Housing Corporation in their annual rental survey to the Ministry of Municipal Affairs and Housing (MMAH). The MMAH AMR, for the appropriate size unit based on household composition, is used for the COHB benefit calculation. MMAH AMR will continue to be used for the calculation of housing allowance benefits moving forward.

The City Benchmark Rents are established internally through web-based research and data which gathers rental listings from major rental search portals online such as Kijiji, rentals.ca and padmapper. The data collected includes information on rental prices, bedroom, and bathroom sizes, as well as locations of the rental units.

Staff can filter and sort the data to help inform their work. The web scraped data reflects the *real cost* of a private market rental as it retrieves the most up to date rental listings for our city. To administer municipal housing benefits, applications submitted with lease amounts greater than City Benchmark Rents will not be approved. City Benchmark Rents will be updated and shared with relevant sector partners on a quarterly basis.

Recommended Program Refinements

Staff are recommending the following program refinements:

1. Using the City Benchmark Rents established internally through web-based research and data to set limits on market rents for eligibility purposes, ensuring that the chosen units provide affordability for the household.
2. Continuing to use a provincial income-based formula that takes into account both the AMR issued by MMAH for the Ottawa area and the household income from income tax assessments.

The provincial income-based formula was modified by the MMAH effective July 1, 2023. The monthly housing benefit calculation will be as follows:

$$\begin{aligned} & \text{[(greater of 80\% x AMR or Shelter Costs, up to 100\% x AMR) -} \\ & \text{(Adjusted Family Net Income x 30\%)] / 12} \end{aligned}$$

or

For Social Assistance recipients, the portable housing benefit will fill the gap between the social assistance shelter allowance and actual shelter costs, up to the maximum portable housing benefit amount (as per above calculation)

Staff are also recommending the following changes:

- In cases where multiple rent-paying clients (roommates) occupy a single self-contained unit, housing allowance benefit entitlements for each client will be calculated based on the MMAH AMR for the size and type of unit divided by number of bedrooms. Under current guidelines, which are aligned with the provincial COHB program guidelines, clients in co-living arrangements receive a subsidy that is calculated based on MMAH AMR for a one-bedroom, self-

contained unit. This results in a benefit amount that is reflective of rent for a self-contained unit rather than a benefit reflective of a co-living situation with shared common areas. Through this proposed program refinement, the City will be paying less subsidy per client in co-living situations, resulting in the ability to use limited program funding to support more households.

- Units must be subject to the *Residential Tenancies Act, 2006* to ensure proper tenant protections and the lease must be for the household members only. In cases where multiple individuals are renting rooms in one house, each of them must have their own separate lease such that they are not responsible for the other tenant's portion of their rent.
- Applications submitted with a lease amount greater than the City Benchmark Rents will not be approved.
- Eligible households will be limited to those experiencing homelessness for an interim period, pending confirmation of additional funding from upper levels of government, at which time the target population will revert back to both low-income households at risk of homelessness or people experiencing homelessness, as was approved by council in 2021.

The program updates will only impact new clients. All existing households will be exempt from the new changes and will remain under the current eligibility criteria and calculation formula.

As previously mentioned, the City of Ottawa currently administers nine housing allowance programs. The program refinements in this report will only impact the following four programs:

- 1- Family First – Singles
- 2- Family First – Households
- 3- Ottawa Municipal Housing Benefit (OMHB)

These three programs are currently being administered in alignment with the COHB program guidelines. The calculation is based on the MMAH AMRs and there are no market rent limits for units. Additionally, in the case of multiple rent-paying clients, each client's portion is based on a one-bedroom AMR amount.

Staff are recommending that the following refinements now apply to these programs:

- In cases where multiple rent-paying clients (roommates) occupy a single self-contained unit, housing allowance benefit entitlements for each client will be calculated based on the MMAH AMR for the size and type of unit divided by number of bedrooms.
- Units must be subject to the *Residential Tenancies Act, 2006* to ensure proper tenant protections and the lease must be for the household members only. In cases where multiple individuals are renting rooms in one house, each of them must have their own separate lease such that they are not responsible for the other tenant's portion of their rent.
- Applications submitted with a lease amount greater than the City Benchmark Rents will not be approved.
- Eligible households will be limited to those experiencing homelessness for an interim period pending confirmation of additional funding from upper levels of government at which time the target population will revert back to low-income households at risk of homelessness or people experiencing homelessness as was approved by council in 2021.

4- Home For Good

This program is currently being administered in alignment with the COHB program guidelines. The calculation is based on the MMAH AMRs and there are no market rent limits for units. Additionally, in the case of multiple rent-paying clients, each client's portion is based on a one-bedroom AMR amount.

This program will continue to provide housing assistance and support services to people experiencing homelessness within the following four provincially designated priority areas: 1) chronic homelessness, 2) youth homelessness, 3) Indigenous homelessness, and 4) homelessness following transitions from provincially-funded institutions and services systems (e.g., hospitals and prisons). As such, with Home for Good already targeting people experiencing homelessness, there is no need to update the target population for this specific program.

Staff are recommending that the following refinements now apply to this program:

- In cases where multiple rent-paying clients (roommates) occupy a single self-contained unit, housing allowance benefit entitlements for each client will be

calculated based on the MMAH AMR for the size and type of unit divided by number of bedrooms.

- Units must be subject to the *Residential Tenancies Act, 2006* to ensure proper tenant protections and the lease must be for the household members only. In cases where multiple individuals are renting rooms in one house, each of them must have their own separate lease such that they are not responsible for the other tenant's portion of their rent.
- Applications submitted with a lease amount greater than the City Benchmark Rents will not be approved.

Municipal Spending Cap

Because allocations under the National Housing Strategy (NHS), which includes the Canada-Ontario Housing Benefit (COHB), have not been confirmed for 2025-26, it is difficult to plan for the future of the City's housing allowance benefits programs. In the short-term, municipal funding solutions will be needed to support housing retention and exits from shelter.

The total anticipated funding required for municipally funded housing benefits in 2025 will be \$11.2 million. \$4.1 million will be funded through existing housing allowance budgets in the Community Homelessness Funding (CHF) envelope. The remaining \$7.1 million represents the required delta over the existing approved budget for municipally funded housing allowance benefits.

Accordingly, Housing and Homelessness Services will be implementing a \$7.1 million municipal spending cap over the existing approved budget for the remainder of 2025, which will allow the City to:

- Continue to fund existing households that were added in 2024 in lieu of COHB and still remain;
- Continue to fund existing households in the two Enhanced Housing Allowance Benefit (EHAB) programs and legacy programs; and
- Add approximately 25 new households per month, to ensure continued outflow from the emergency shelter system.

This municipal funding cap will be in place for an interim period pending confirmation of additional funding from upper levels of government for housing allowance benefits. Any 2025-26 COHB allocation will be used offset the number of municipally funded housing allowance benefits. In lieu of not receiving a COHB allocation for 2025-26, the municipal funding cap will be funded using resources identified in the Housing Services [Long Range Financial Plan 2020-30 Update](#) that were planned to be directed towards a new transitional housing strategy. This funding includes both capital and operating expenditures for the acquisition, renovation and ongoing operation of new transitional housing facilities.

Housing and Homelessness Services receives federal and provincial funding from a variety of sources. It is standard process under most programs that funding commitments are made on a two-to-three-year basis and often aligned to election cycles. Staff continuously review funding opportunities that align to local needs. Upon renewal of the National Housing Strategy, staff will undertake a full review to adjust funding sources and approaches based on current program offerings.

Investment in housing allowances is a significantly more cost-effective solution than relying on shelters. In addition, housing allowance benefits represent a key outflow mechanism for households exiting from the shelter system. Currently, it costs approximately \$36,500 per year to support one household in the emergency shelter system. In contrast, it costs approximately \$9,500 - \$12,500 per year to support one household with a housing allowance. As such, the City remains committed to cost-effective, long-term housing solutions, with use of emergency shelters as a last resort.

Without confirmation of additional funding from upper levels of government, the implementation of a municipal spending cap of \$7.1 million for 2025 over the existing approved budget is a necessary measure to keep existing benefit recipients housed, ensure continued outflow from shelters, reduce the need for additional shelter beds, and allow the City to focus on funding longer-term housing solutions.

Other Strategies Being Considered to Limit Inflow and Maximize Outflow From Shelters

Given that the recommended municipal spending cap is a short-term solution, staff are also exploring long-term strategies to support program sustainability.

To date, eight strategies have been identified to support with reducing the inflow and length of shelter stays and maximizing outflow and resources:

1. Further Investment in shelter diversion programming:

Aims to increase staffing allocation and enhance system wide tools/ training to support residents in finding alternative solutions to shelter, reducing inflow and reliance on the shelter system.

2. Expansion of housing loss/ eviction prevention services:

Aims to mitigate the risk of housing loss by offering residents support to prevent eviction and keep them in stable housing, reduce inflow into the shelter system, this includes:

- a. Increase education of renter's rights, and housing maintenance;
- b. Offering of financial literacy and related life skills programs; and
- c. Increase funding to enhance access to housing loss prevention services such as helping residents to resolve landlord/tenant issues, understanding tenant rights, and access to legal help.

3. Implement a requirement for families to financially contribute to their stay:

To be implemented within the family transitional housing system. This system previously collected a contribution however it is not currently being enforced. This strategy aims to update the contribution policy, enforce the contribution requirement, and is aligned with other transitional housing providers in the community. Contributions for stays will reduce overall expenditures, encourage financial literacy, independence, reduce inflow, motivate reduced length of shelter and/or transitional housing stays to ultimately increase outflows. The contribution amount would be calculated in line with current practices in the City's Contribution Guidelines used within transitional housing programs and would not create additional hardship for household on social assistance.

4. Introduce higher program Average Market Rents (AMR):

Currently, the AMRs, determined by Canadian Mortgage and Housing Corporation (CMHC) for Ottawa are low compared to actual rent prices in the city. This strategy aims to align current housing allowance benefit amounts with current market rents, increasing access to affordable housing options and maximize outflow from the shelter system.

5. Implement a New Enhanced Housing Allowance Benefit:

This plan was successfully piloted within the Physical Distancing Centres (PDCs). Therefore, expansion of this project aims to continue to maximize outflow from the shelter system by reducing the gap between benefit amounts and rental costs.

6. Implement a “One Time - Newcomer Housing Allowance Benefit:

Aims to develop a newcomer service delivery model and allocation of housing allowance benefit program targeting the highest rate of users currently residing within City-operated Physical Distancing Emergency Overflow Centres. Intended program outcomes include promoting quick and successful settlement and integration for newcomers, maximizing outflow from the shelter system.

7. Expand Bridge Funding through Employment and Social Services (ESS):

Bridge Funding currently supports Ontario Works households for up to six-months with rent payments if they are at imminent risk of eviction with aim of keeping them housed for the long-term. Current considerations include extending existing program policy from six months to eight months to support individuals and families. This provides housing stability, keep residents housed, and reduces occurrences of homelessness and inflow into the shelter system

8. Removal of Local Priority Access Status (LPAS) for People Experiencing Homelessness:

This local priority currently provides people experiencing homelessness with priority access to social housing units. Currently, households have the option to decline any other housing allowance benefits and remain in shelters for extended periods of time as they await an offer for a social housing unit. This is an issue that predominantly impacts families because the long waitlist for social housing and the limited number of family-sized units available in the system. This means that families who choose to wait for a social housing unit typically have long shelter stays and experience chronic homelessness. Removing the homeless priority for families aims to end chronic homelessness and encourage permanent, private market housing. Staff are considering the following approaches: 1) Eliminating LPAS (homelessness) status for everyone; or 2) Eliminating LPAS (homelessness) status for everyone and creating new special programs for priority access to social housing for certain populations who face

greater challenges in finding private market housing (e.g. seniors, Indigenous, etc.).

Final recommendations for the strategies being explored will be included in a report on local priorities for Council consideration in Fall 2025.

The ability to consider the above eight strategies may be contingent on funding from other levels of government. Housing and Homelessness Services continues to work with all levels of government to leverage funding opportunities to support and address local needs.

After further consultation with the housing and homelessness sector, including the Housing and Homelessness Leadership Table (HHLT), additional strategies may be considered in order to limit shelter inflow and enhance shelter outflow. These additional strategies will be considered as part of the update to the 10-Year Housing and Homelessness Plan that is currently underway.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the report. The update of the housing allowance framework, rules and subsidy calculation planned for 2025 will be funded within the existing operating budget. Any subsequent changes related to provincial and federal funding allocations for 2025-26 will be accounted for and included in the Housing and Homelessness Services' updated Long-Range Financial Plan (LRFP), which will be presented to Council in Fall 2025 and considered as part of the 2026 City budget process.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the report recommendations.

CONSULTATION

The City will continue to engage and collaborate with housing and homelessness sector partners with subject matter expertise, including the Housing and Homelessness Leadership Table (HHLT). The HHLT is an advisory body to the City of Ottawa made up of sector experts tasked to plan, design, and oversee the ongoing implementation of an integrated housing & homelessness system and related sectors. These consultations will shape, refine and implement the initiatives outlined in this report.

ACCESSIBILITY IMPACTS

The City of Ottawa is committed to ensuring accessibility for persons with disabilities and older adults. All actions resulting from the approval of the updates outlined in this report will meet both Provincial and Municipal accessibility regulations and policies, including the *Integrated Accessibility Standards Regulation* O.Reg. 191/11 under the *Accessibility for Ontarians with Disabilities Act (2005)*, as well as the City of Ottawa Accessibility Policy and the Accessible Formats and Communication Supports Procedure.

All updates to the funding categories outlined in the Municipal Housing Allowance Programs and the Home for Good Housing Allowance Program will provide a direct benefit to persons with disabilities, especially those dependent on supportive housing and housing assistance. This investment plan reflects the goals of the 10-Year Housing and Homelessness Plan which focuses on housing those in the shelter system and others on the waitlist, or who are at-risk of homelessness, many of whom are persons with both visible and invisible disabilities.

Additionally, due to the intersectionality of persons with disabilities and those living in poverty, the City Benchmarking Rent established by web-based research and data will also help set limits on market rents, ensuring tenants, including those with disabilities and older adults, are provided with fair rental pricing and that the chosen units are actually affordable to that household.

Finally, the additional strategies identified in this report to support with reducing shelter stays will also provide positive impacts to tenants with disabilities, especially increasing the promotion of the educational resources to ensure all tenants understand their rights, including eviction prevention. The ability to remain in stable housing and prevent the significant barriers of attempting to locate appropriate temporary accommodations, including shelters that may not include the accessibility features that are needed in housing tenants with disabilities, is incredibly beneficial.

DELEGATION OF AUTHORITY IMPLICATIONS

Staff will implement the updated housing allowance frameworks and continue to deliver the benefits pursuant to existing delegated authority set out in Schedule D, Subsection 8(4) of the Delegation of Authority By-law 2025-069. The exercise of delegated authority pursuant to that Subsection will be reported to the appropriate Standing Committee as required under Subsection 8(9).

TERM OF COUNCIL PRIORITIES

Council has deemed “A city that has affordable housing and is more liveable for all” as one of four priorities in the 2023-2026 Term of Council Priorities report. The continuation of the housing allowance benefit programs will contribute to the increase in affordable housing options for residents in the City of Ottawa.

DISPOSITION

The program refinements outlined in this report will advance the objectives of the updated 10-Year Housing and Homelessness Plan by promoting housing stability and rental affordability for our residents, mitigating pressures in the emergency shelter system, and reducing the number of households on the Centralized Wait List who are waiting for affordable housing.