



North Peace Housing Foundation

6780 – 103rd Avenue, Peace River, Alberta T8S 0B6

Tel: (780) 624-2055 Fax: (780) 624-2065

Email: tammy.menssa@nphf.ca

To: The Board of Directors

From: Tammy Menssa, Executive Director

Re: Rent Supplement – RAB Cap Increase

Date: April 23, 2024

Rent Supplement programs, much like the Community Housing program, provide subsidized rental housing to Albertans in core housing need. A household is determined to be in core housing need if it is unable to live in suitable accommodation without paying more than 30 per cent of its household income on rent, and it has a total annual income below the income threshold for a given municipality, as determined by the Province. In some instances, Rent Supplement provides the Foundation with the opportunity to serve members of the community who otherwise would not have access to our services (e.g., single individuals under the age of 65 on AISH).

The Rent Assistance Benefit (RAB) is a rent supplement administered by the Foundation on behalf of the Province to eligible tenants to assist with rental costs.

Management bodies determine if they can allocate the RAB to an eligible household based on funding availability and prioritization. The amount of rent supplement is based on the difference between 30 per cent of a household's income and market rent, to a maximum benefit (cap) set by the management body. The existing cap for the Foundation's RAB program is \$400.00 per month.

On an annual basis, North Peace Housing is advised of our annual rent supplement (RAB) budget as approved by the Minister. Like all management bodies administering rent supplement programs, we are required to operate within our approved budget targets, as no additional funding will be provided if budgets are overspent; however, we are allowed to carryover unspent funds from year to year to be used within the Rent Supplement Program. The Foundation's approved budget for 2024 is \$250,000.00.

In recent years, the Foundation has retained an accumulated carryover of \$258,470.00 due to attrition and low application rates. However, in recent months, there has been a notable increase in successful applicants being enrolled in the program, indicating a positive trend.

North Peace Housing currently assists 52 households with RAB. Of those, 39 are currently receiving the \$400.00 maximum benefit. If the cap were increased to \$600.00 per month, 38 out of the 52 households would see an increase to their monthly subsidy, and 24 of the current 52 households would be receiving the maximum subsidy.

As part of our regular reporting to the Province, the Foundation forecasts the number of households anticipated to receive RAB to the end of the year, to ensure appropriate budget allocation. Recent data shows that an average of 2 recipients are added to the RAB program monthly. With no increase to the cap, our forecasted supplement for 2024 would be \$237,172.00 with an additional \$25,114.00 being allocated to administrative fees, totaling \$262,286.00.

If no additional turnover was experienced, the forecasted numbers of households joining RAB averaged 2 per month, and all new recipients were receiving the maximum benefit of \$600.00 per month effective August 2024, the total supplement for the year would be approximately \$276,572.00, with an additional \$25,114.00 allocated to administrative fees, for a total of \$301,386.00, leaving \$207,084.00 at the end of 2024 to carry forward into 2025.

By networking with other agencies, advertising, and effective management of the rent supplement program, we anticipate that the forecasted recipients moving onto the program are modest and there is an opportunity to assist households in need more adequately, further reducing the annual carry forward amount to a more reasonable level.

Recommendation:

Approve the increase to the Rent Assistance Benefit cap from \$400.00 to \$600.00 effective August 1, 2024.

Thank you for your consideration,



Tammy Menssa
Executive Director