

AR51002

April 14, 2021

Ms. Tammy Menssa
Chief Administrative Officer
North Peace Housing Foundation
6780 103 Avenue
Peace River AB T8S 0B6

Dear Ms. Menssa:

Subject: 2021 Rent Supplement Budget and Program Update

I am providing you with your 2021 rent supplement budget, based upon the newly redesigned Rent Supplement Program (RSP). As you are aware, *Budget 2021* approved an increase of \$16 million to our RSP targets.

Based upon the program(s) you currently deliver, your 2021 budget could be a combination of new and existing programs.

The 2021 redesigned RSP introduces two new program benefits, plus the planned phase out of one existing program:

- **Rent Assistance Benefit (RAB)** - previously called the “Direct to Tenant Rent Supplement (DTRS) Program” is re-open for intake as of April 1, 2021.
- **Temporary Rent Assistance Benefit (TRAB)** - is a new benefit that will open intake to select housing management bodies (HMBs) and the region they serve, as of May 1, 2021. This program provides a fixed benefit for a maximum of two years to eligible households in the following seven communities:
 - Calgary - Calgary Housing Company;
 - Edmonton - CIVIDA (previously known as Capital Region Housing);
 - Fort McMurray - Wood Buffalo Housing and Development Corporation;
 - Grande Prairie - Grande Spirit Foundation;
 - Lethbridge - Lethbridge & Region Community Housing;
 - Medicine Hat - Medicine Hat Community Housing; and
 - Red Deer - Red Deer Housing Authority.

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- **Private Landlord Rent Supplement (PLRS)** - will remain closed to new intake, and some of these households will be transitioned into RAB in the current year. The exception being a household currently in the PLRS program who receives either Assured Income for the Severely Handicapped (AISH) or Income Support; they will be transitioned into RAB starting in 2024. We will provide you with the expected number of PLRS units to maintain in the current year and to inform you in determining the number of PLRS units required to be transitioned to RAB (if applicable). HMBs are asked to use discretion in determining which households to transition in consideration of income levels and need of subsidy.

Based upon this current direction, I am providing you with the following rent supplement funding information:

- Your 2021 RAB and PLRS rent supplement budget is **\$206,000**.
 - In April, you will receive **\$16,400**, the same as you received from January - March.
 - Starting in May and moving forward, you will receive monthly funding of **\$17,500**.

These program(s) provide you with flexibility in order to maximize the number of households served, while having the stability of monthly and annual funding. Further information regarding reporting requirements for the new program will be provided shortly.

Transition from PLRS to RAB

For 2021, we ask that you maintain **14** PLRS designations ("Baseline"). Households receiving AISH or Income Support must be prioritized to remain within your available PLRS designations in addition to any designated agencies that currently receive PLRS funding. If your baseline for 2021 exceeds the sum of these groups, it is up to the HMB's discretion to determine which additional households to continue to maintain under the PLRS program.

A couple of items to note:

- All PLRS households that are currently maintained above your newly allocated baseline are to be transitioned to RAB in the 2021 fiscal year.
- Moving forward, if PLRS recipients leave the program and you fall below your baseline, you are only able to fill a replacement / new household with a RAB designation, not a PLRS designation.
- Notice is required at least three months in advance to households who will transition from PLRS to RAB. This may require extension of current agreements if expiry dates are within three months.

We will provide you with your PLRS baseline annually as our agreements with CMHC begin to expire starting in 2021/22. Annual baseline amounts provided will ensure that there are sufficient designations available to maintain your prioritized household counts, as reported, until 2024.

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Revised Rent Supplement Advance Account

The Rent Supplement Advance account is available for HMBs to use for cash flow purposes but required to be replenished by year-end to the balances reported and held within the ASHC. With rent supplement budgets approved late in 2020, HMBs were provided allowance to draw down on the Rent Supplement Advance to support budget shortfalls realized in order to continue providing subsidies to those tenants remaining in the program.

In February, you were asked to provide information on amounts spent from the Rent Supplement Advance account as of December 31, 2020 and an estimated forecast for January to March 2021. The department has reviewed your information and revised the reserve balances accordingly.

- Your 2021 Rent Supplement Advance balance as at March 31, 2021 and moving forward is **\$35,000**.

You are required to maintain and report this balance in your Rent Supplement Advance account on your 2021 audited financial statements. The department will continue to review these balances annually.

If you have any questions or concerns regarding your 2021 budget or on the above direction, please contact your Housing Advisor. Thank you for your continued work in providing affordable housing for Albertans with low income, and your partnership as the Government of Alberta implements recommendations from the Affordable Housing Review Panel.

Yours truly,



Philip Henke, CPA, CGA
Director
HMB Operations and Compliance
Seniors and Housing

cc: Hazel Reintjes, Board Chair, North Peace Housing Foundation
Dora Fitz, Housing Advisor, Alberta Seniors and Housing

