



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.:04-238

TO: Bert Meunier, Chief Administrative Officer

FROM: Lance Thurston, Commissioner of Community Services

PREPARED BY: Adele Lafrance, Manager of Administrative Services

DATE OF MEETING: 2004-07-13

SUBJECT: Ontario Works Pay Direct Policy Update

RECOMMENDATION TO COMMITTEE OF THE WHOLE:

WHEREAS many Ontario Works participants face ongoing challenges to maintain permanent accommodation and avoid eviction and/or utility cut offs due to non-payment of rent or accounts due;

AND WHEREAS the current Ontario Works Pay Direct service for rent and utility payments has proved to be well received and successful in maintaining permanent accommodations and reducing outstanding rent and utility arrears;

THEREFORE IT IS RECOMMENDED TO COUNCIL THAT the local Ontario Works Pay Direct service be expanded to include for-profit landlords as recommended by the Commissioner of Community Services in Report No. 04-238.

ORIGIN/PURPOSE:

The purpose of this report is to gain Council approval for the expansion of the current Ontario Works Pay Direct Policy to include "For Profit Landlords". This policy revision is presented to Council in recognition of its benefits as:

- a valuable customer service to OW participants; and
- a strategy to reduce the incidence of OW participant accommodation evictions and utility cut offs.

OPTIONS/DISCUSSION:

Current Policy & Program Delivery:

In June 2001, Council approved the original Local Ontario Works Pay Direct Policy. In approving the initial Pay Direct Policy, several key considerations were identified. As the Consolidated Municipal Service Manager for Ontario Works, Council recognized the City's OW Pay Direct Policy must be

compliant with the intent of the legislation, sensitive to both the rights of recipients and the associated financial burden to taxpayers, and be accountable to all parties. Council recognized the policy must balance complex, and at times, competing issues associated with the matter:

- The fundamental principle of Ontario Works is to foster self-reliance for recipients. The shelter allowance is included in the monthly benefit. It is viewed that independent management of the shelter allocation by the individual receiving assistance is an inherent component of self-reliance.
- Notwithstanding the principle of promoting self-reliance of Ontario Works participants, it must be recognized that failure to pay rent will often result in insurmountable arrears and eventual eviction. The impact of eviction may result in grave trauma to some members of the benefit unit, particularly those more vulnerable members (e.g. children). The welfare of each member of the benefit unit must remain the foremost priority.
- The goal of Ontario Works is to support participants in the shortest route to paid employment. It is recognized that shelter instability and lack of secure accommodation are significant barriers to obtaining and maintaining paid employment.
- Ontario Works financial assistance is not a “guaranteed income” and as such the Ontario Works office cannot enter into any third party agreement which guarantees regular and/or ongoing payment for services on behalf of a recipient, since the recipient’s entitlement to any Ontario Works assistance is not guaranteed.
- The payment of rent is a component of the landlord/tenant relationship. As such it is governed by the *Tenant Protection Act*. The Ontario Works office is not a rent administration agency nor is the payment of rent to landlords on behalf of Ontario Works participants mandated in the Ontario Works Act.
- The payment of rent to landlords is a valuable customer service for clients which may assist them in meeting their rent payment obligation and may assist them in managing competing financial pressures and/or permit them to focus on other activities which will enable them to reach the OW program-participant mutual goal of self reliance.

Council approved an initial policy that included four principal components:

- Introduction of a voluntary pay direct for rent service for any OW participant living in a not for profit rental property
- Confirmation of the OW administrator’s authority to “impose” mandatory third party payments on behalf of participants who have used or will likely use their assistance in a way that is not beneficial to them or the benefit unit, as in the case of repeated incidence of rent or utility arrears or eviction. (It should be noted that the mandatory pay directs are rarely imposed and that case managers make every effort to work with clients to develop rent and utility strategies that are voluntary)
- Consultation with Utilities Kingston and piloting of OW pay direct for utilities as determined feasible by both parties

- Pay direct of “pre paid” last month rent to private landlords to assist OW participants in securing private sector accommodation and mitigating landlord loss for potential non payment of rent.

Assessment of Current Policy:

“Pay directs” were initially implemented with the Kingston & Frontenac Housing Corporation in 2001 and then expanded to other not for profit service providers in the years to follow. In May 2004, 10 not for profit landlords had pay direct agreements with the local OW office. Likewise, after some initial consultation with Utilities Kingston, pay direct for utilities was implemented as an adjunct service to rent pay direct.

The initial OW Pay Direct policy has been determined to be beneficial to OW recipients, not for profit landlords and Utilities Kingston alike. Very few client complaints have been received and over time, the administrative processes have been mastered by the OW case management staff. In May 2004 there were 262 OW pay directs in place for rent and 174 pay directs in place for utilities. In terms of the OW benefit unit service, in May 2004 155 OW benefit units were provided with pay direct services for both Utilities & Rent and 126 OW benefit Units were accessing one of either Utility or Rent pay direct.

In the case of the Kingston & Frontenac Housing Corporation, as of May 2004, some 213 tenants who are OW recipients were participating in rent pay direct. Although the amount for rent arrears exclusively representing OW clients is not available, the Kingston & Frontenac Housing Corporation's overall current rent arrears experienced a reduction from as high as \$58,321 in 2000 to as low as \$36,794 in 2003.

In the case of Utilities Kingston, hook up deposits are waived to many OW clients who elect to pay by OW Pay Direct. This can be a savings to both the client and ultimately the tax payer as mandatory Community Start Up benefits were previously issued to pay for Utility hook up deposits for OW recipients. More recently, in March of 2003 as the legislated moratorium on utility cut offs came to an end, utility pay directs for OW recipients were an important component of several repayment agreements negotiated in partnership with other community agencies (Salvation Army, Share the Warmth, Neighbourhood Sharing, the Social Issues Network Group's Utility Worker and others).

Subsequent to the initiation of the original Pay Direct Rent service, the local Ontario Works office was approached by a number of stakeholders, including clients, community agencies, for profit landlords and city councilors requesting an expansion of the service to “for profit landlords”.

Policy Review Process & Findings:

In addition to reviewing utilization and arrear reduction statistics at the Kingston & Frontenac Housing Corporation, OW management undertook the following surveys in order to review and update this policy matter:

Survey of Ontario Works Case Management Staff (see appendix B)

Survey of Neighbouring OW Consolidated Municipal Service Managers (see appendix C)

Survey of Community Agencies (see appendix D)

In addition to these surveys, OW management staff attended meetings with the Kingston Not for Profit Landlord Association and the "A Room of One's Own" social inclusion initiative sponsored by the Social Planning Council.

There is a majority opinion among all stakeholders that increasing OW Shelter Allowance entitlement is the most effective means by which Ontario Works participants can improve the quality of their life, afford and retain suitable accommodation, and avoid arrears and evictions. This however, is not a remedy within the control of the City, since OW assistance rates are prescribed by the Province. Moreover, while the recent 3% increase to OW shelter allowance rates as of July 1, 2004 is a positive step, it is doubtful that this increase (which represents \$ 9.75 per month for a single OW recipient receiving the previous maximum OW shelter allowance of \$325 per month) will solve the financial challenges that OW recipients face, particularly related to retention of accommodation and payment of increasing utility costs.

Both the OW Case Manager survey and the Community Agency survey confirmed the value of current Rent and Utility direct payments as effective tools in assisting OW recipients in retaining permanent rental accommodation. While some difficulties related to fluctuating utility rates were identified, most survey respondents reported no OW client complaints and identified benefits of the policy. See appendices B & C for survey response details.

The survey of neighbouring OW Consolidated Municipal Service Managers revealed a variety of local policies and program deliveries. While some CMSMs did not undertake any voluntary pay direct services, others extended the survey to include "upon landlord request" services.; the current Kingston OW Pay Direct level of service falls somewhere in the middle of this range of services. See appendix D for survey response details of this survey.

Finally, at the meetings attended by staff with members of the Kingston Not for Profit Landlords' Association and A Room of One's Own, stakeholder representatives confirmed the benefit of pay direct both as a client customer service and as an accommodation retention/ eviction avoidance strategy. Opinions voiced by individual stakeholders of each of these groups were diverse and in some cases oppositional.

A private landlord representative at the "A Room of One's Own" consultation meeting provided the following opinions"

- Pay direct is not an infringement of rights, if mortgage companies can demand preauthorized payments from your bank account so can landlords
- Pay direct should be mandatory for anyone who defaults on rent more than 3 times
- OW should pay the full rent amount to landlords by pay direct, even if it takes a portion of the monthly OW "basic" allowance, clients want it because they want to be able to live in better accommodations (an OW client present at the meeting concurred with this comment)
- If risk to the landlord is reduced then more housing will be available; let the client be the occupant and OW be the tenant
- Shelter must be the number "one" priority, deal with it first and let other community services help with food and other needs
- OW should be responsible for payment of rent when OW tenants do not give adequate notice; City should not expect private landlord to incur costs because of OW clients

Landlord members of the Kingston Not for Profit Housing Association provided the following comments:

- Pay Direct has been effective in reducing arrears and evictions and should continue to be provided and marketed more in the Not for Profit Sector
- For profit Landlords may withhold tenancy if OW clients do not agree to pay directs and this will defeat the voluntary spirit of the current policy
- A screening process of “for profit” landlords must be implemented if pay direct is to be expanded to the for profit sector

The above comments and suggestions by the “for profit” landlord representative of the *A Room of One's Own* initiative are in some instances contrary to the requirements of the OW legislation or the intent of the OW Directives. Likewise, the suggestion that the OW office become the tenant or record of landlords whorent to OW recipients is far beyond the scope of services and liabilities that any OW Pay Direct Policy should address.

None the less, the important contribution of the “for profit” property rental sector toward the provision of accommodation services for OW participants must be recognized, as it is estimated that there are currently more than 2000 OW benefit units housed by “for profit” landlords in the Kingston CMSM. In many cases, these private landlords assist their tenants in a number of ways beyond the requirements of their rental agreements. This extended landlord assistance may include: deferral of rent due, forgiving of arrear debts and release from lease obligations without proper notice.

Based on these considerations, it is reasonable to conclude that the expansion of the OW Pay Direct to include “for profit” landlords will be beneficial to clients, landlords, the municipality and the taxpayer.

Proposed Policy

Expanding the policy to include the for profit sector must address the following three factors:

- The ongoing need to safeguard against any potential Human Rights violation (particularly related to “equal treatment with respect to the occupancy of accommodation” and “right to freedom from harassment by the landlord or agent of the landlord”, on the basis of receipt of public assistance (Part I, section 2(1) (2) of the *Human Rights Code, 1981*)
- The ability of the local OW office to manage increase pay direct services within the current human resource capacity and approved operating budget
- The ability of the client to pay for profit market value rent rates within the OW shelter entitlement

(a) Human Rights Safeguard

The original debate related to implementation of OW Pay Direct Rents in 2001 included discussion, media reporting and some written correspondence denouncing the policy as a Human Rights infraction. These concerns have been addressed through a strong implementation emphasis by City staff in providing this service to OW clients as a *voluntary* customer service. None the less, the original concerns raised remain valid and staff recognizes that safeguards must be built into the policy expansion that will prevent for-profit landlords from making Pay Direct a condition of a lease or rental agreement and thus nullifying the voluntary customer service intent of the policy.

The City can support potential interests under the Human Rights Code by taking steps including:

- Inclusion of a signed agreement by the landlord before any pay direct plan is set up that confirms that the landlord may not make direct pay a condition of leasing or continuing a lease with an OW recipient, thus supporting the customer service principle of the program expansion
- Landlords objecting to the terms would be ruled out before participation in the program and tenants could be assured that landlord participation is on a principled basis.
- This agreement can also confirm that the tenant has the sole discretion to discontinue the direct pay and that the landlord warrants that he/she will take no steps against a tenant based on the tenant exercising that discretion.
- The tenant signing up for the program should also sign a confirmation that they are doing so voluntarily, that they have the option of discontinuing at any time and that if they have any concerns that they may contact the Human Rights Commission at any time.

(b) Cost Benefit and OW Administrative Capacity

There are potential savings to the City from pay direct service provision to the for profit sector. If evictions and arrears are avoided, the issuance of the mandatory Community Start Up allowance and the discretionary Rent and Utility Arrear & Deposit benefits may be reduced. The value of the saving is difficult to estimate as there is no way of determining the number of arrear and eviction incidents that have been and can be avoided. As OW allowances and Benefits are cost shared with the Province on an 80/20 basis, the City will realize 20% of whatever allowance savings are incurred.

Beyond the financial impact in the OW office, some clients may realize savings where they are now incurring expenses associated with the payment of rent (bank charges for cheque writing or transportation costs). Likewise, landlords will benefit from the service expansion as they will receive more of the rent revenues due to them from OW tenants.

Assessing the administrative cost of this proposed service expansion is also difficult. Obviously, there are additional staff workload requirements both in initiating the pay direct (gathering information from client, data entry, reviewing the arrangements from time to time and altering the payment details as required), and in processing the additional monthly payment transactions thereafter.

There are also additional direct office supply and service costs associated with the service. As OW administrative costs are cost shared with the Province on a 50/50 basis, the City will incur 50% of the additional expenses associated with this service. The following table denotes the office supply and service costs (in gross dollars) associated with the monthly production of a regular client direct bank deposit payment (DBD), a regular client cheque payment, and a third party pay direct payment. It should be noted that all clients regardless of whether they subscribe to any pay direct arrangement will receive either a direct bank deposit payment statement or a monthly client cheque payment. Pay direct payments are in addition to these client payments and where provided for both utility and rent payments, these represent two additional payments:

Payment Description	Tender Blank (cheque/ DBD)	Envelope	Stamp	Total Monthly Payment Cost	Total Yearly Payment Cost
Regular Monthly Direct Bank Deposit	\$ 0.074	\$ 0.070	\$ 0.490	\$ 0.634	\$ 7.608
Regular Monthly Cheque Payment	\$ 0.108	\$ 0.070	\$ 0.490	\$ 0.668	\$ 8.016
Additional 3 rd Party Payment (Pay Direct or Vendor cheque)	\$ 0.108	\$ 0.070	\$ 0.490	\$ 0.668	\$ 8.016

Note: In the case of pay direct for a number of clients to the same third party, for example, Kingston & Frontenac Housing Corporation or Utilities Kingston, more cost effective delivery service (ie: bulk mailing or in person pick up) are sought to contain costs associated with this service.

(c) Compatibility with OW Shelter Allowances

It is recognized that many for-profit accommodation rent rates exceed the maximum shelter allowances in OW. While some stakeholders support encroaching on the basic allowance component of the OW monthly assistance for rent pay direct, City staff does not view this as being compatible with OW directives that recognize the “benefit of the benefit unit” and the “fostering of self reliance”. While the availability of affordable accommodations in the for-profit property rental sector may be limited, the provision of Pay Direct Rent for rental properties that do not exceed the OW participant’s maximum shelter entitlement and usual monthly OW assistance may encourage for-profit landlords to accept a lower monthly rental rate if the risk of non payment is reduced.

A further concern with expansion to the for-profit property sector is the matter of “notice requirements” and the frequent disruption, suspension and termination of OW benefits (including the shelter allowance component). Because of these concerns, some private landlords had suggested that the City become the tenant of record in such arrangements and thereby guarantee rent payments. As noted previously, the City is not in a position to guarantee social assistance and it would not be in the City’s interest to assume this role. The City’s interests in this matter can be supported by including a statement in the landlord agreement that waives any claim the landlord might have in relation to the lack of notice or general designation of the City as tenant.

Summary of Proposed Policy Expansion:

As a result of our broad consultations with internal and community stakeholders, the proposed expansion of OW Pay Direct to the for-profit sector may be summarized as follows:

- Pay direct to for-profit landlords will be undertaken at the OW participant’s request only, after the participant has been a tenant in the landlord’s rental property for a minimum of 4 current

consecutive months and is satisfied that the tenant-landlord relationship is in the benefit unit's best interest

Rationale: *This requirement will safeguard against coercive landlord requirements which might undermine the voluntary spirit of the policy and be a violation of the OW participant's/tenant's Human Rights. It will also permit the development of a tenant-landlord relationship prior to the initiation of the rent pay direct which may reduce wasted administrative effort as it will avoid pay direct requests that will be short lived due to landlord/tenant incompatibility.*

- Rent payments will be made directly to the property owner or his/her legally recognized property management agent.

Rationale: *This will prevent OW participants from being at risk of paying rent direct to a roommate who is the lessee and then facing eviction for non-payment of rent due to the pay direct funds not having been forwarded by the lessee to the property owner*

- Pay direct for rent will be provided only where the monthly shelter cost (rent cost plus utility costs whether they are included in the rent or paid directly to a utility provider) is equal to or less than the OW participant's maximum shelter allowance **AND** the net OW monthly entitlement, after income deductions have been considered, is greater than the monthly rent rate.

Rationale: *This will safeguard against encroachment on the OW Basic Allowance component of the monthly financial assistance and will prevent interrupted rent payments due to fluctuation in OW participants' monthly entitlement as a result of irregular other "income" (earnings, support, etc) reported by the OW participant.*

- The OW Administrator reserves the right to decline any client request for pay direct rent service to any landlord (either property owner or his/her legally recognized property management agent) who has not abided by the terms and conditions of the City – Landlord Pay Direct agreement; this agreement to be in a form determined by the Legal Services Division.

Rationale: *Notwithstanding the terms and conditions of any lease or rental agreement that the OW participant may enter into as a tenant, City staff must ensure that OW funds are issued in accordance with the OW Regulation and Directives. Furthermore, the City-Landlord Pay Direct agreement in no way transfers any responsibilities of the OW participant as a tenant to the OW office through the rent pay direct service.*

- Where voluntary client request for pay direct exceeds the administrative capacity of the OW office, priority will be given to clients who are at the greatest risk of eviction or need for intensive case management support

Rationale: *In the event that the volume of requests for voluntary pay direct exceeds the human resource capacity or supply & postage budget of the office, that the prioritization emphasis be on the well being of the benefit unit and need for intensive case management support rather than the customer service objective.*

EXISTING POLICY/BY-LAW:

Initial local OW Pay Direct Policy approved by Council, June 19, 2001 as clause 1 of report no 63.

LINK TO STRATEGIC PLAN: N/A

FINANCIAL CONSIDERATIONS:

Beyond the administration cost per payment issuance detailed in this report it is not possible to forecast the exact costs associated with this proposed service expansion. As previously mentioned, expansion of pay direct may in fact reduce the cost of overall Community Start Up benefits and discretionary non-health benefits issued for arrears.

OW administrative costs are cost shared 50/50 with the Province while OW allowances (including the basic allowance, shelter allowance, community start up allowance and discretionary benefit for rent and utility arrears and deposits) are cost shared 80/20

CONTACTS:

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Tanie Steacy, Manager of Program Delivery, Social Services, 546-2695 ext 2072

DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:

The following were consulted and their input factored into this report:

Greg Grange, Manager, Housing Division
Alan Mcleod: Senior Legal Council
Gerard Hunt, Manager of Finance Division
Cheryl Mastantuono, Manager, Policy and Support Services, Community Services
Francyne Givogue, Manager, Kingston & Frontenac Housing Corporation
Participants of surveys and consultation meetings including OW Case Managers, Community Agencies and neighbouring CMSMs

NOTICE PROVISIONS: N/A

APPENDICES:

Appendix "A": Comments from Joint Management and RULAC (Under separate cover)
Appendix "B": Survey Summary: Ontario Works Case Managers et Survey Summary
Appendix "C": Survey Summary: Neighbouring OW Consolidated Municipal Service Managers
Appendix "D": Survey Summary: Community Agencies



Lance Thurston,
Commissioner of Community Services



Bert Meunier
Chief Administrative Officer

Comments from County of Frontenac staff

Report No.: 04-238 Pay Direct

The JM meeting of June 30, 2004 was cancelled and comments were conveyed via email as follows:

- *(There were no notable comments made by County of Frontenac staff)*

Comments from RULAC

Report No.: 04-238 Pay Direct

The RULAC meeting of July 12, 2004 was cancelled and comments were conveyed via email as follows:

- *(There were no notable comments made by County of Frontenac staff)*

APPENDIX "B"

Survey Summary: OW Case managers

A survey of the 36 Ontario Works case managers was undertaken by e mail (March 2003) to gather information on their views and experience related to our local office Rent and Utility pay direct policy and practices. Ten responses were received. Of these 10 responses, one was incomplete with only the first question answered. The following table summarizes the responses received.

QUESTIONS	RATINGS/RESPONSES	COMMENTS
<p>Q1: Rate Pay Direct as a favourable / effective CM tool?</p>	<p>Usually: <u>9</u> Sometimes: <u>0</u> Rarely: <u>0</u> Never: <u>1</u></p> <p>(note: respondent who indicated "never" provided no other responses)</p>	<ul style="list-style-type: none"> • is challenging to manage due to income and rent rate changes • ensures rent is paid regularly (3) • removes responsibility from client (2), like direct mortgage payment service, mitigates disadvantage OW clients have securing rentals • prevents eviction (4) • technologically challenging as no automated notification to worker that pay direct transaction end date has occurred • challenging for Utilities since deregulation and clients electing to transfer to private suppliers who do not provide average monthly billing options.
<p>Q2: Estimate frequency of utilization of pay direct for caseload</p>	<p>Average figures for 9 responses received: Caseload: <u>96</u> Voluntary Rent: <u>9.2</u> Voluntary Utility: <u>8.1</u> Mandatory Rent: <u>0.4</u> Mandatory Utility: <u>0.3</u></p>	
<p>Q3: Describe frequency and type of contact with "not for profit" landlords</p>	<p>Frequency: Majority of workers indicated they received 1-2 calls/week from housing providers. 1-5 calls/week to housing providers</p>	<p>Nature of Contacts:</p> <ul style="list-style-type: none"> • housing providers calls were initiated primarily to notify of rent rate change, notify of an arrear and/or investigate a missing pay direct or notify of rent not paid where no pay direct is in place • case managers initiated calls were primarily to confirm rental address, effective date and accommodation details or pay direct information • several casemanagers noted that they receive requests for information from housing providers which they deem as inappropriate and which would constitute a breach of confidentiality if responded to; these questions relate to reasons OW client cases have been terminated, who is the clients employer, addresses client have moved to etc

APPENDIX "B" con't: OW Case manager Survey		
QUESTIONS	RATINGS/RESPONSES	COMMENTS
Q4: Describe frequency and type of contact with "private for profit" landlords	Responses indicated a wider frequency range: Worker initiated contact was 1-10 /week while Landlord initiated contact was 1/1-4 weeks	Nature of Contacts: <ul style="list-style-type: none"> landlords initiated calls were primarily to complain of rent non payment case manager initiated calls were primarily to confirm rental agreement, rent rate, address and effective date; case managers also called to confirm approval of pay direct for last month rent case managers also reported they continue to receive inquiries from private landlord for pay direct
Q5: Case manager recommendation on potential expansion of Mandatory Pay Direct	9 casemanagers responded &/or commented Yes: <u>7</u> No: <u>2</u>	<ul style="list-style-type: none"> but limited to not for profit landlords only need very detailed guidelines which must be adhered to important for case managers to have discretion especially where some history of non payment is demonstrated (3) and allow pay direct to equal full rent due and exceed OW shelter maximum to ensure arrears do not occur
Q6: Case manager recommendation on potential expansion of Voluntary Pay Direct to private, for profit landlords	9 casemanagers responded &/or commented Yes: <u>5</u> No: <u>3</u> Caution if expanded: <u>1</u>	<ul style="list-style-type: none"> exercise caution, do not allow for subletting will result in private landlords demanding pay direct by making it a condition of renting only for client with a history of rent non payment and evictions (3) vital service to ensure accommodation is secured over winter or where children are involved only with clear written request from client

APPENDIX “C”

Survey Summary: Neighbouring OW Consolidated Municipal Service Managers

Question	Leeds & Grenville	Hastings	Prince Edward – Lennox and Addington	Cornwall
	<i>Contact: Nancy Greene (613) 342-3840, ext. 2305</i>	<i>Contact: Walter Burt (613) 966-8032</i>	<i>Contact: George Monez (613) 354-3364</i>	<i>Contact: Fay Emerton Proulx (613) 933-6282 ext. 3209</i>
Does your municipality pay Rent Direct to Landlords? If so, specify scope:	<ul style="list-style-type: none"> ▪ There are very few pay directs to either the Housing Corporation or Not-for-Profit Housing providers ▪ There are a few pay directs to Commercial Landlords, but there must be a significant reason 	<ul style="list-style-type: none"> ▪ There are two utilities – Meridian and Hydro One ▪ Pay Directs are available for the Housing Corporation, Private and other not-for-profit organizations 	<ul style="list-style-type: none"> ▪ Pay Directs to the Housing Corporation, Not-for-Profit housing providers and commercial landlords, and utilities ▪ The Pay Direct policy is “wide open” usually by landlord request on “Intent to Rent” form. 	<ul style="list-style-type: none"> ▪ Don’t do Pay Directs ▪ Have an agreement with the Family Counseling Centre (FCC) who acts as a trustee and pays landlords of mutual clients having problems with rent arrears. The FCC pays client rent to the Landlord, but charge \$20.00 fee/mo to Landlord
What is the basis of the policy?	<ul style="list-style-type: none"> ▪ Not usually done on voluntary or customer service basis ▪ Usually voluntary for money management assistance to avoid eviction ▪ Most often mandatory for health and welfare of the Benefit Unit with history of arrears/evictions 	<ul style="list-style-type: none"> ▪ client request or if they demonstrate that a problem exists, i.e. facing eviction 	<ul style="list-style-type: none"> ▪ Pay Direct is done on a voluntary/customer service basis as well as landlord requirement to secure tenancy. ▪ It may be deemed as mandatory if the participant displays mismanagement. 	<ul style="list-style-type: none"> ▪ Pay Direct is never provided for convenience or customer service. ▪ The majority of participants agree to having a trustee when faced with arrears or eviction. ▪ Strictly for those who haven’t paid rent.
Details of current policy:	<ul style="list-style-type: none"> ▪ Pay Directs are not usually undertaken if the benefit unit is over housed. If they are, would also want a longer term plan to relocate ▪ Pay Direct for Utilities is only done for arrears to avoid cut off and client must agree to budget counseling. ▪ There are no “ongoing” Pay Directs for utilities 	<ul style="list-style-type: none"> ▪ Pay Directs may be undertaken if the benefit unit is over housed. It depends on the circumstances ▪ Try to avoid Pay Directs for utility costs for those clients who are over housed. ▪ There is no formal policy regarding notice needed to terminate a Pay Direct, but clients do endeavour to notify. 	<ul style="list-style-type: none"> ▪ If the client is over housed, can encroach on basic allowance for Pay direct if client agrees ▪ No established limit. ▪ No retro adjustments to Utilities ▪ The participant is suppose to give 30 days notice of canceling a Pay Direct, but rarely happens. 	<ul style="list-style-type: none"> ▪ FCC will allow Pay Directs even if the client is over housed ▪ Pay Directs are not undertaken for utilities ▪ The notice required to terminate a Pay Direct is at the Worker’s discretion.

APPENDIX "D"

Survey Summary: Community Agencies

Agency	Familiar with OW Pay Direct	View OW Pay Direct as Beneficial	Support Expansion of Voluntary Pay Direct	Comments
Kingston Youth Shelter	Yes	Yes	Yes	<ul style="list-style-type: none"> • Present OW Shelter Allowance is unrealistic • Pay Direct favorable as long as clients' rights are respected • Landlords like direct payment as rent is guaranteed even if tenant agreement does not work out
Home Base Housing	Yes	Yes	No	<ul style="list-style-type: none"> • Known instances of tenants with rent pay direct being evicted due to Utility cut offs • Tenants express positive opinions about pay direct • Has likely avoided some evictions • Pay Direct must cover total rent cost or evictions will still occur
Kingston Community Counseling Centre (OW appointed Trustee for Youth cases)	Yes	Yes	Yes	<ul style="list-style-type: none"> • OW income is so little that rent is easily not paid • Not limiting Pay Direct to "not for profit" housing would be helpful • Valuable asset to OW clients
Salvation Army: Community & Family Services	Yes	Yes	Yes	<ul style="list-style-type: none"> • Low disposable income is difficulty, pay direct helps • Pay direct requirement is part of rent bank loan approval requirement • Most clients appreciate this type of payment • Believe expansion would help with cut off and evictions
Dawn House Women's Shelter	Yes	Yes	Yes	<ul style="list-style-type: none"> • People see pay direct as a safety net, they're aware of the issues they face • Expanded Pay Direct might increase access to housing by landlords "taking a change on low earners, poor credit history and young people • people have concerns related to fluctuation of Utilities as they are paid as a fixed amount then reviewed

St Vincent de Paul Society	Yes	Yes	Yes	<ul style="list-style-type: none"> • Very helpful for rent to be paid upfront, especially if utilities are included • Recipient must be part of decision, have control over lives • May help landlord attitudes, make more units available • Incomes are too low and rents to high
Agency	Familiar with OW Pay Direct	View OW Pay Direct as Beneficial	Support Expansion of Voluntary Pay Direct	Comments
North Frontenac Community Services	Yes	Yes	Yes	<ul style="list-style-type: none"> • OW shelter allowance does not cover rent & utilities • Pay direct to Hydro One is not possible, unfortunate
Kingston Frontenac Housing Corporation	Yes	Yes	Yes With some caution	<ul style="list-style-type: none"> • Evictions not often seen due to high pay direct rate • Pay Direct required as a condition of arrears repayment agreements where evictions may occur • Tenants without cars appreciate the convenience • Some problems when Pay Directs self terminate after 12 months • Support expansion to "private" landlords with some caution
Social Planning Council	Yes	Yes	Yes	<ul style="list-style-type: none"> • Support pay direct as long as voluntary for people and not coerced into participating • landlords state that pay direct would make them more likely to rent to low income people • Personal needs and shelter allowances must be raised to reflect current rates for rent utilities etc
Town Homes Kingston	Yes	Yes	Yes	<ul style="list-style-type: none"> • Some problem with tenants on pay direct for rent but in utility arrears • Many tenants request the service at time of leasing • More pay directs to Utilities would save more tenancies
North Frontenac Non Profit Housing	Yes	Yes	Yes	No comments provided

North Kingston Community Health Centre	Yes	Yes	Yes As long as client choose the service	<ul style="list-style-type: none"> • Experience some problems with Utility arrears occurring even with utility pay direct when consumption exceeds the monthly payment • Not all (OW) caseworkers explore all possibilities when dealing with arrears • Clients are satisfied with pay direct as long as they are not “subtly” coerced into using it • Need safeguard against coercion • Some housing corporations have policies that discriminate against OW recipients by requiring payment of last month rent • Suggest that clients be informed in advance when next month OW assistance will not be enough to cover their rent/utilities
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