
City of Kelowna

MEMORANDUM

DATE: November 22, 2006
FILE: 0540-20

TO: City Manager

FROM: Community Planning Manager

RE: Recommendation from the Social Planning & Housing Committee on Shelter Rates for BC Assistance

REPORT PREPARED BY: Theresa Eichler

RECOMMENDATION:

THAT Council endorse the motion forwarded by the Social Planning and Housing Committee in this report regarding the shelter portion of BC Assistance rates.

PURPOSE:

Council received a recommendation from the Social Planning and Housing Committee in March that called for a resolution to be taken to UBCM to change the BC Assistance Shelter Rates. This resolution was on the agenda of the recent UBCM meeting and has now been acknowledged by the Premier, with requests for further input from municipalities. On October 30, 2006, City Council passed the following resolution:

THAT the Social Planning & Housing Committee report back to Council with a recommendation to forward to the Provincial Minister of Employment and Income Assistance for what the increase should be to the shelter allowance portion of provincial income assistance rates.

The initial resolution taken to UBCM is attached to this report. This report is to bring the recommendations of the Social Planning and Housing Committee back to Council.

REPORT:

In response to Council's request for input to indicate what the shelter allowance portion of BC Assistance rates should be, the Social Planning and Housing Committee discussed this issue at its meeting of November 14, 2006 and passed the following motion:

THAT Council recommend to the Minister of Employment and Income Assistance that the shelter allowance of BC Assistance Rates be increased so as to match the basic rents identified in Table 17 of page 19 of the report entitled "Left Behind" from the Social Planning & Research Council of BC, dated December 2005, and that these rents be adjusted annually consistent with the average annual change to the BC Consumer Price Index;

AND THAT Council reiterate the last clause of its original resolution to UBCM that recommends BC Assistance for adults with disabilities be increased to the same level of assistance available to seniors.

Table 17 from the "Left Behind" report is provided below:

TABLE 17. SPARC BC's Estimated Adequacy of BC Employment and Assistance Shelter Allowances (rent set at 25th percentile)

Household (Unit) Type		Single Adult (Bachelor)	Single Parent Child 3 (2 bedroom)	Couple, No Children (1 bedroom)	Single Parent Child 15 (2 bedroom)	Couple Children 4 and 1 (3 bedroom)
Minimum	Basic Rent	\$580.00	\$790.00	\$670.00	\$790.00	\$875.00
Monthly	Utilities	\$22.60	\$27.88	\$23.51	\$27.88	\$27.88
Costs	Telephone	\$31.53	\$31.53	\$31.53	\$31.53	\$31.53
	TOTAL	\$634.13	\$849.41	\$725.04	\$849.41	\$934.41
Shelter	Allowance	\$325.00	\$520.00	\$520.00	\$520.00	\$590.00
% of Costs Shelter	Met by the Allowance	51%	61%	72%	61%	63%
Shortfall		\$309.13	\$329.41	\$205.04	\$329.41	\$344.41

Note: % of Costs Met by BC Benefits equals the Shelter Allowance divided by Total Costs. The Shortfall equals the amount by which the shelter allowance would have to increase in order to meet actual shelter costs.

The Committee arrived at its motion through discussion around what would be most appropriate and how to deal with geographic disparities. Ideas were explored, including the use of the average market rents produced for most areas of the province by CMHC and the use of Core Needs Income Thresholds (CNIT) used by BC Housing and CMHC to determine eligibility for subsidized housing programs. CNIT information is based on the average rents published by CMHC, with utility costs factored in, and is area specific. The incomes are the gross (before tax) household incomes necessary to afford rent and utility costs. CNIT¹s were last published in 2003 and are expected to be updated very soon. However, the lack of updated information for the last 3 years was seen as problematic. The Committee also wanted to ensure that the shelter rates keep up with current costs. Average rents for Kelowna in 2005 were quite similar to the basic rents supplied in Table 17. Kelowna figures are provided below (2006 information is expected shortly from CMHC). The City also provides the corresponding incomes to represent 30% of gross income before tax being allocated to rents:

Average Rents 2005 - All Private Apartments², From Canada Mortgage and Housing Corporation Market Rental Survey- City of Kelowna

	Bachelor	One Bedroom	Two Bedroom	Three Bedroom +
Average Rent	\$497	\$616	\$755	\$781
Annual Income – Before Tax to afford at 30% income on shelter	\$19,880	\$24,640	\$30,200	\$31,240

By using the information in the "Left Behind" / SPARC report, the Committee felt that a universal standard could be applied across the province, thereby not tying BC Assistance recipients to any one area. The disparities between local average market rents and the basic rents in Table 17 of the SPARC report would allow for some of the shelter portion to cover the other shelter costs such as heat, electricity, water and basic telephone, which were identified in the SPARC report.

¹ Check this web link for more information on CNIT amounts:

http://www.bchousing.org/resources/Applicant/Core_Need_Income_Thresholds.pdf

² CMHC includes only buildings with 3 or more units in its rental survey.

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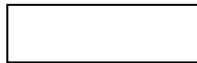
Greater costs for heating in places like Prince George, for example, and the inclination for some landlords to include utilities within the rent charge would also create differences that are hard to fairly accommodate around the province. The basic rents were seen as a significant improvement over present BC Assistance shelter rates. Aside from this, the Committee wanted to ensure that allowances keep pace with current costs and therefore added a requirement that the rates be adjusted annually in accordance with the average annual BC CPI (Consumer Price Index).

Finally, the Committee wished to reiterate the issue of the disparity between BC Assistance rates for adults with disabilities against those for seniors who may not have disabilities. The lower rates for a segment of the population whose needs and costs are greater than the average household due to a disability that they did not choose was viewed as unfair. The Committee agreed that seniors' rates would be much more appropriate for adults with disabilities.

The Committee is asking Council to support the motion and forward it to the Ministry of Employment and Income Assistance in response to the request of the Province.

Theresa Eichler
Community Planning Manager

Approved for Inclusion



David Shipclark
Director of Corporate Services

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Attachments – Electronic:
UBCM resolution on shelter assistance

Adobe (PDF) file on Shelter Rates.

Provincial Income Assistance Rates

City of Kelowna

WHEREAS the October 2005 CMHC Rental Market Report for Kelowna indicates average rents far exceed the shelter allowance portion of BC Assistance;

AND WHEREAS the cost of living, particularly shelter, in this province has continually increased without corresponding adjustments to the levels of assistance;

AND WHEREAS thousands of low-income households in our city are paying far in excess of 30%, the majority in excess of 50%, of their gross income before tax on shelter;

AND WHEREAS adults with disabilities may have greater expenses than seniors in order to address the needs of their disability, including access to special needs housing;

THEREFORE BE IT RESOLVED that the Provincial Ministry of Employment and Income Assistance be asked to increase current assistance rates and implement a program to adjust those rates annually based on the BC Average Annual Consumer Price Index;

AND BE IT FURTHER RESOLVED that the Provincial Ministry of Employment and Income Assistance also be asked to increase assistance for adults with disabilities to the same level of assistance available to seniors.