

January 30, 2006

The Hon. John Gerretsen, MPP
Minister of Municipal Affairs and Housing
777 Bay Street, 17th Floor
Toronto, ON
M5G 2E5

Dear Minister Gerretsen:

The Toronto Rent Bank Project is a comprehensive and integrated program that prevents eviction and homelessness for low-income households in Toronto by providing interest-free repayable loans. Rent Bank loans enable vulnerable families and individuals to remain in stable housing when they face the risk of losing their homes as a result of a sudden, short-term financial crisis. This project also offers a variety of supports, such as negotiation and mediation with landlords, case co-ordination, advocacy and counselling to stabilize or improve the life situations of our clients. The flexibility of the Rent Bank repayment policy also allows the clients it serves the time they need to gradually put their finances back on track. It is a vital resource for the “working poor” in Toronto.

The project started in 1998 with funding from the City of Toronto. Because of limited financial resources, loans were offered exclusively to families with children, and the need for loans was consistently greater than what the fund could accommodate. Thanks to the much needed funding of \$2,174,833 from the Ministry of Municipal Affairs and Housing, the Toronto Rent Bank Project was able to expand eligibility to include singles and couples without children, as well as families in November 2004. Since then, the Toronto Rent Bank Project has successfully prevented 902 households (which include 1,331 adults, 255 youth and 776 children) from evictions. The majority of the loan recipients are hard-working families who make slightly too much to qualify for social assistance but did not qualify for any other type of financial assistance from banking institutions when their income was interrupted due to a short-term crisis (e.g. family illness, reduction of work hours, car problems, a death in the family). As a result, they face a very real and imminent threat of being evicted. Other loan recipients include vulnerable seniors with limited income and need the assistance to maintain their tenancies as unexpected expenses - such as an accident, the cost of medication, burglary or funeral for a spouse - arise.

The Toronto Rent Bank Project has proven to be highly effective in preventing homelessness in Toronto. The majority of the clients who have been assisted remain in stable housing three months after receiving Rent Bank assistance. This proactive approach to preventing homelessness does not only help stabilize the life situations of the highly vulnerable individuals and families involved, it also reduces the strain on other components of the social service system, such as temporary shelters, community supports and social assistance.

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As you are aware, once families become dependent on the shelter system, they are further away from stability and self-sufficiency. From an economics standpoint, it has been well documented that the cost of preventing a family from becoming homeless is significantly less than the cost of resources that are required to provide support after they become homeless. Funding for the Toronto Rent Bank has far-reaching effects on an individual and community level.

We applaud your government's dedication and commitment to addressing the housing needs of the low-income population in Toronto. We strongly urge that this very important project not be disrupted but rather be increased and extended, as it is now a vital homelessness prevention tool – one of the very few – available in Toronto. It is virtually the only financial resource available to help the “working poor” when they are faced with eviction as a result of rental arrears. Funding from the provincial government has been crucial in sustaining the Toronto Rent Bank, and we strongly urge you to continue your funding support in this very important project.

We sincerely thank the Ontario Government and your Ministry in particular for the generous and significant part it has played in helping to sustain and expand this key homelessness prevention program. We look forward to continuing our partnership with you and the City of Toronto in our shared battle against homelessness in Toronto.

Yours truly,

Brad Butt
President & CEO

