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PURPOSE

1. To provide for basic shelter costs.

PRINCIPLE

2. Applicants have a right to reasonable accommodation, free from threat to health or safety.
3. Applicants may choose where they live, subject to policy limitations on what actual expense amount may be allowed, and providing it does not jeopardize the health and safety of their children.
4. The Department does not wish to lead the market in setting shelter costs.
5. Shelter ceilings should be sufficiently high to ensure the general availability of adequate accommodation for applicants.
6. Persons in shared accommodation shall be provided with an equitable share of the costs as defined by Instruction 5-2.
7. Applicants have the responsibility to minimize their shelter costs.

POLICY

8. Actual cost of shelter may be allowed up to but not exceeding approved ceilings (see Instruction 5-1-1), except as allowed in the following circumstances:
 - (a) Where a change in family circumstances has resulted in a reduction in family size, the shelter rate applicable to their previous family size may be used for 12 months from the reduction in size, or until accommodation expenses are reduced to the appropriate level, whichever occurs first.

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- (b) For applicants with special housing needs, the designated authority may approve reasonable accommodation beyond the ceiling in the following circumstances:
 - (1) Child visitation to non-custodial parent;
 - (2) Persons who have special accessibility requirements;
 - (3) Persons who have a history of problems which prevent them from living within the shelter ceilings;
 - (4) Where relocation would cause significant disruption to an individual's support networks; and
 - (5) Clients with existing mortgages.
- (c) Shelter ceilings may be exceeded for a maximum of three months, with the approval of the designated authority, when:
 - (i) the applicant has been forced to seek new accommodation due to circumstances beyond his/her control, such as fire or physical abuse;
 - (ii) the applicant is requesting emergency or short-term assistance only.
- (d) Shelter rates may be exceeded when providing fuel on a seasonal basis, providing the shelter ceilings are not exceeded when the average monthly fuel expense (12 months) is added to other shelter expenses.

9. Shelter ceilings must not be exceeded when establishing eligibility for free drugs only, except as provided in paragraph 8.

10. Applicants who voluntarily move to alternate accommodation where no health or safety need exists shall not be allowed an increase in accommodation costs without prior approval of the designated authority.

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11. In situations where an applicant who is living alone is admitted to a hospital, treatment facility or a residential institution, or is imprisoned in any jail, lock-up or adult reformatory, his/her shelter payment may be continued for 30 days. Extensions may be granted by the designated authority and shall include only the rent or mortgage payment and basic utilities. Such extensions should not go beyond a reasonable amount of time to allow for development of a longer term solution.

12. The Department does not purchase homes for applicants nor can it provide any guarantees with respect to future payments since eligibility status may change.

13. Rental Accommodation

- (a) For rental accommodation, Regulation 17(1)(a) defines shelter to include “rent, heat and electricity” (see Instruction 5-1-1 - Schedule of Shelter Rates).
- (b) Subject to approved ceilings, increases in rental rates are allowed providing they are within the limits imposed by rent control legislation.
- (c) Rent may be paid on two accommodations for the same month where the double payment has resulted from an involuntary move and is approved by the designated authority.
- (d) Tenants of P.E.I. Housing Corporation
 - (i) Accommodation may include low rental units, senior citizen units, social housing units and rural and native units;
 - (ii) Tenants in receipt of full or partial Social Assistance are to be charged as per agreement between the Department and the Housing Corporation (See Instruction 5-1-1);
 - (iii) Staff should be alerted to rental surcharges or unexpected rental increases as it may indicate new circumstances such as: additional income, a new common-law union, or shared accommodation.

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(iv) Where a rental rate is based on the number of bedrooms versus the number of people in the family unit, workers should determine that the number of bedrooms is appropriate to the number of persons in the household. If a change in shelter is warranted, refer to paragraph 8(a).

(e) Damage Deposits

- (i) Damage deposits should be paid by the applicant where possible;
- (ii) Where the applicant is unable to pay, the deposit may be advanced. The maximum deposit allowed is half of one month's rent and is to be recovered over a period not to exceed one year;
- (iii) Payments of damage deposits and recovery from the landlord are the responsibility of the applicant;
- (iv) Subsequent damage deposits shall not be paid until the first is fully recovered, unless approved by the designated authority;
- (v) Any contract, written or verbal, is between the landlord and the tenant. Therefore, the tenant is solely responsible for damages to the property.

14. Owned Accommodation

- (a) For owned accommodation, Regulation 17(1)(b) defines "shelter" as "mortgage payment, lot rental, heat, electricity, real property taxes and fire insurance". An allowance for Waste Watch, paid on the property tax of owned accommodation, is not to be included in the calculation of the shelter ceiling.
- (b) (i) A separated applicant occupying a premises jointly owned with his/her estranged spouse may be allowed a mortgage expense not exceeding one-half of the monthly amount until such time as the applicant becomes sole owner.

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- (ii) If half payments are not acceptable to the mortgage holder, full payments may be allowed only in situations where the location of the estranged spouse is unknown. If attempts to locate the spouse are unproductive, the applicant should be expected to seek legal counsel to secure a property settlement.
- (iii) If otherwise considered appropriate, the designated authority may approve the full mortgage expense beyond 90 days on situations when the matter of property settlement is before the courts.
- (c) That portion of a mortgage or loan payment for purposes other than purchase of the principal residence, or for approved necessary renovations, shall not be allowed. The purpose of the original mortgage and any later refinancing must be verified using the Verification of Assets form. (ISM document)
- (d) Mortgage increases due to rising interest rates may be approved but remain subject to the ceilings imposed by approved policy.
- (e) Fire insurance payments are to be averaged and included as a monthly expense, subject also to shelter ceilings.

PROCEDURE

15. Except when providing emergency assistance only, mortgage verification shall be completed before allowing a mortgage expense, including information required in Paragraph 14 (c) above. Verification of Assets form (ISM document), is to be used and a copy retained in the client's file.

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16. Fuel expenses may be handled by one of the following options, generally on the basis of applicant preference:

- (a) Estimated Required Monthly Expense
 - Verified by previous consumption;
 - Adjusted at time of review.
- (b) Estimated Seasonal Monthly Expense
 - Average seasonal consumption October to May and May to October;
 - Verified by previous consumption;
 - Adjustment must be made to reduce or eliminate fuel expense for the spring and summer months.
- (c) Budget Plan Expense (Fuel)
 - Verified by fuel company;
 - 10 or 12 monthly payments depending on the company policy;
 - 10-month budget plans must be terminated for July and August;
 - All budget plans must be reviewed in June or July to determine the balance owed;
 - Pay difference owing to fuel company, or ask for credit of excess payments to applicant's account for next year (or a refund to the Department if assistance to be terminated);
 - Make appropriate adjustments to monthly budget payments for next year.
- (d) Direct Payments for Bulk Purchases (Fuel, Wood, Propane)
 - May be used where applicant has limited fuel requirements;
 - Where applicant is having trouble making the regular payments;
 - Average monthly fuel expenses must be determined from bulk payments to ensure approved shelter allowances are not exceeded.
 - An annual expense may be paid in a lump sum, with the expense averaged over a 12 month period and noted on the file, but not added to the applicant's monthly cheque.

18. Excessive fuel or electricity expenses should not be ignored simply because the shelter ceiling has not been exceeded. An investigation into the problem could lead to substantial savings.

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19. Actual shelter cost should be recorded and the amount granted should be adjusted to keep payments within approved ceilings.

CROSS REFERENCE

- 5-1-1 Schedule of Shelter Rates - Rents/Mortgages
- 5-2 Shared Accommodation
- 5-4 Shelter - Young Single Mothers
- 5-5 Utilities
- 6-2 Utilities - Installation and Deposit