



City of
Peterborough

TO: Members of the Joint Services Steering Committee

**FROM: Ken Doherty, Director of Community Services
Malcolm Hunt, Director of Planning and Development Services**

MEETING DATE: December 3, 2012

**SUBJECT: Report CSSSJSSC12-010
Provincial Funding Changes for Some Housing and
Homelessness Support Services in 2013**

PURPOSE

A report to update the Committee members on a housing support and homelessness services program in the City and County for 2013.

RECOMMENDATIONS

That the Joint Services Steering Committee endorse the recommendations outlined in Report CSSSJSSC12-010 dated December 3, 2012, of the Directors of Community Services and Planning and Development Services, as follows:

- a) That the Mayor and Clerk be authorized to sign the Community Homelessness Prevention Initiative (CHPI) Administration Agreement with the Province;
- b) That the Directors of the Planning and Development Services and Community Services Departments be delegated the authority to develop, submit and update the CHPI Investment Plan as required by the Ministry of Municipal Affairs and Housing (MMAH), and to finalize the use of CHPI funding;

- c) That the 2012 service levels and agreements be maintained in 2013 for five housing and homelessness services for low-income households delivered by community agencies (specifically for Emergency and Domiciliary Hostels, Homelessness Co-ordinated Response Team, County Connect, Emergency Energy Fund, and Rent Bank), and the remaining balance of the CHPI funding currently estimated at \$576,107 be designated for social assistance recipients for emergency housing assistance to be maintained and delivered by Social Services staff, to partially compensate for the elimination by the province of Community Start-up and Maintenance Benefits (Community Start Up); and
- d) That \$350,000 be added to the 2013 Social Services budget to provide additional funds for individuals experiencing housing emergencies for Housing support and homelessness services, \$60,000 to come from the County and the \$290,000 City portion of this fund to be drawn from the Social Services Reserve.

BUDGET AND FINANCIAL IMPLICATIONS

The Province has eliminated the Community Start Up and Maintenance Benefit for Ontario Works (OW) and Ontario Disability Support Program (ODSP) clients effective January 1, 2013. The Province is also consolidating five homelessness-related programs into one program entitled the Community Homelessness Prevention Initiative (CHPI).

The net reduction of Provincial funding to the Municipal budget is equal to \$2,581,077 in revenues from Ministry of Community and Social Services (MCSS) for programs which have ended, less \$1,718,422 of new revenue from Ministry of Municipal Affairs and Housing (MMAH) which has been added (CHPI), effective January 1, 2013, resulting in a net loss of \$862,655 in provincial funding support in 2013. The CHPI revenue is reflected in the Social Services Division's 2013 budget proposal.¹

Recommendation d) would result in a \$290,000 draw on the Social Services reserve in 2013. As of October 2012, the Social Services reserve balance is \$4.1 million.

¹ Provincial Revenue reflected on page 115 of Highlights Book - Originally informed \$1,739,912 would be the allocation

BACKGROUND

In 2012, the City received \$2,581,077 in revenue from the province for five homeless programs and for the provincial share of the mandatory client benefit of Community Start Up. Effective January 1, 2013, the Province is eliminating the Community Start Up benefit for OW and ODSP clients and consolidating the five housing and homelessness related programs, replacing them with the new Community Homelessness Prevention Initiative at \$1,718,422. As Service Manager for the City and County, the City needs to decide on new approaches to housing support and homelessness services in the context of an \$862,655 reduction in provincial funding to the municipality. This calculation does not include the impact of \$830,000 eliminated for the Community Start-Up benefit that will no longer be available to people on the Ontario Disability Support Program (ODSP) as that was not a part of the municipal budget. However, the housing issues of people on ODSP are also expected to be addressed through the new CHPI program along with OW clients and low income individuals not on social assistance.

This Report sets out a plan to maintain as much stability in the existing 'service system' as possible in 2013, using the new provincial funding, as well as City and County contributions. No new programs or services are proposed.

In 2013, emergency housing support will need to follow CHPI Program Guidelines and fit within one or more of the four service categories. The amount of funding available for emergency housing supports is anticipated to be \$576,107, significantly lower than the \$2.7M available to OW and ODSP clients in previous years. This amount could increase to \$926,107 with the approval of recommendation (d) of this report which will only partially mitigate the impact on clients. Co-ordination with other emergency funds will continue to ensure various rules are applied (e.g. funding provided is enough to actually fix the problem, and does not exceed the maximum permitted), and prudent use of limited resources.

Social Services staff will continue to work closely with people on Social Assistance and through community partners with Low Income people not on assistance in regards to problem-solving and case planning for housing-related issues that arise. This will be an even more challenging time for households beginning in 2013 due to the reduction in funding and benefits. Staff and community partners will ensure that up-to-date information is available for residents regarding other programs available to assist households (e.g. Enbridge programs, senior repair programs, PUC programs and Peterborough Green Up).

Overview Community Homeless Prevention Initiative (CHPI)

Ministry of Municipal Affairs and Housing (MMAH) is responsible for an annual Community Homeless Prevention Initiative (CHPI). CHPI was created by consolidating and transferring Ministry of Community and Social Services (MCSS) homelessness programs and adding approximately 50% of provincial Community Start-up funding previously paid by MCSS. Peterborough's CHPI allocation is about \$1.7M annually. The allocation is based on:

- i) Base funding amount that includes the 3 year average of emergency shelter costs and the funding associated with four existing housing/homelessness prevention programs; and
- ii) Peterborough's 1.1% share of Ontario households in Deep Core Housing Need applied against half of the provincial CSUMB expenditures.

MMAH has yet to provide CHPI Program Guidelines but these are expected shortly. Two letters from MMAH, Assistant Deputy Minister, Janet Hope explain the CHPI allocation model and provide program objectives, and these are attached in Appendix A, B and C.

Generally, CHPI allows for greater flexibility for the use of provincial funding than previous programs. Funds may be used in four service categories:

1. Emergency Shelter Solutions (e.g. emergency shelter operating and capital, and/or safe beds, possibly rooming/boarding houses);
2. Housing and Related Supports (e.g. permanent housing, housing allowance/rent supplement, possibly supportive housing);
3. Services and Supports (e.g. street and housing outreach, food banks, housing search); and
4. Homelessness Prevention (e.g. rent support/eviction prevention such as Rent Bank loans, possibly funds for utility payments).

Greater flexibility is a small consolation in the face of provincial funding reductions. It will take some time to sort out how flexibility in CHPI can be used and to have clarity on the new range of possible uses. This report sets out a plan for the use of CHPI funding in 2013 based on the limited knowledge of the program that presently exists.

It is recommended that 2012 municipal funding levels for housing and homelessness programs continue to be provided in 2013 through the municipal budget process. This includes approximately \$290,000 that is recommended to come from the Social Services Reserves and the \$60,000 from the County.² During this time of transition and funding reductions, it is critical to maintain some funds to help vulnerable people with housing emergencies.

It is anticipated that implementation of the CHPI investment plan will require some amendments to the wording of the service agreement with the Community Counselling and Resource Centre. This amendment may be completed administratively and does not require a Bid Solicitation process in accordance with Section 35(3)(viii) of the City of Peterborough Purchase By-law 10-132.

Considerations Regarding Provincial Changes and Introduction of CHPI

Local needs will be considered when planning CHPI expenditures over the long term. Circumstances in Peterborough include the local average hourly wage is the lowest in Canada, and the average rent for a two bedroom unit is \$900/month, up \$200 in the past ten years. In Peterborough CMA 23% of households are in Core Housing Need and pay more than 50% of their income on housing – this is the highest proportion in the country. One in four Peterborough households is vulnerable, and may need emergency shelter if services that help households maintain housing and prevent eviction are no longer available. In early 2013, a long term plan that takes this community context into consideration will be developed to guide housing and homelessness service decisions, including the use of CHPI funding.

Some of Peterborough's housing and homelessness programs are not affected by this recent provincial change, and will continue to be offered in 2013. Over time, it is possible that these existing programs could fill gaps created by provincial funding reductions. For instance, Peterborough now offers \$2M annually in provincially funded Rent Support and Rent Supplement Programs and changes to targets and priority households can be managed as attrition occurs. Municipally-funded homelessness prevention programs will continue based on the municipal budget process.

In the very near future, formal communication is needed to prepare low-income households, social assistance clients and community partners for fewer emergency assistance opportunities and to arrange 2013 service arrangements with community agencies.

² Item 2.12 pg. 188 of the Budget Highlights

Plan for 2013 CHPI Funded Housing and Homelessness Services

The plan for 2013 CHPI funded services is set out below, and is broadly consistent with what is currently known about CHPI 'service categories'. There are two sections: Community Agencies and Social Services. The accompanying expenditure plan is found in Appendix D.

Part 1 - Community Agencies

Within the draft 2013 budget, a 'status quo' approach is set out to ensure service agreements for community agencies extend to December 2013, funding remains at 2012 levels and that a longer term service plan is developed for 2014 and future years. Maintaining funding to service agencies for these necessary programs and services will prevent de-stabilization in services that, as a result of the provincial funding reductions, more people may need to access.

Community agencies offer six services under contract with the City, that have funding that is impacted by the introduction of the Community Homelessness Prevention Initiative. A plan for continuity of service for 2013 is detailed below.

1. **Emergency Shelters:** There are 80 emergency beds (plus 2 domiciliary beds) for the City and County (Brock Mission - men, Youth Emergency Shelter – youth and families and Cameron House - women). The service agreement for Brock Mission expires July 31, 2013, therefore will require an extension to December 31, 2013. Emergency Shelter funding set out in the draft 2013 budget is \$884,632 from CHPI and \$365,914 municipal funding. This is a combination of the municipal share of the per diem and the approved base budget. An 11% increase in shelter occupancy in 2013 has been forecasted based on increases experience to date in 2012.
2. **Domiciliary Hostel Services:** There are two domiciliary care beds at Rubidge Retirement Residence. The funding set out in the draft 2013 budget remains the same as 2012 at \$8,518 from CHPI and \$7,421 from municipal funding. The service agreement requires annual review.
3. **Coordinated Homelessness Response Program:** This is a collaboration of community partners that provides clinical and professional support for people who have significant challenges securing and maintaining housing. Trustee services are provided by Canadian Mental Health Association with clinical support from FourCAST and semi-independent living supports at Cameron House. The funding set out in the draft 2013 budget remains the same as 2012 at \$145,780 from CHPI and \$16,220 from municipal funding. The service agreement expires March 31, 2014.

4. **County-Connect:** This program helps prevent homelessness among at risk, low-income residents in the County, and is run by Community Counselling and Resource Centre. The funding set out in the draft 2013 budget remains the same as 2012 at \$26,500 from CHPI. The service agreement expires December 31, 2012, so must be extended to December 31, 2013.
5. **Energy Fund:** Emergency grants are provided to low-income households who are not able to pay deposit or arrears on utilities bills. The Community Counselling and Resource Centre manages these funds. The funding set out in the draft 2013 budget remains the same as 2012 at \$21,580 from CHPI. The service agreement expires December 31, 2012 so must be extended to December 31, 2013. It may be possible to consolidate this with other funding (e.g. Rent Bank, as noted below).
6. **Rent Bank:** Emergency loans are provided to low-income households who have arrears which have resulted in an eviction notice, in an otherwise viable rental arrangement. Community Counselling and Resource Centre manages these funds. The funding set out in the draft 2013 budget remains the same as 2012 at \$55,305 from CHPI. The service agreement expires March 31, 2013 and must be extended to December 31, 2013. It may be possible to consolidate with other funding (e.g. Energy Fund, as noted above).

Part 2 - Social Services Emergency Housing Support

The remaining CHPI fund will be used to provide emergency housing supports to individual households to partially replace the Community Start Up Benefit for people on OW and ODSP. Administration of these funds through Social Services is proposed. The fund would be used to provide assistance with a variety of housing related expenses such as last month's rent, utility deposits/arrears and rent arrears, moving costs, and household furnishing. Social Services will enter into discussion with landlords and utility companies to determine if other arrangements can be made such as pay directs, instalment plan payments for deposits or arrears and other financial management tools.

New Directions at the Province – Over the Long Term

The shift to MMAH of funding and administrative responsibility for housing and homelessness is indicative of provincial policy changes in the sector such as:

- All low-income households may be eligible for CHPI, as there is no prescribed mandate under Ontario Works legislation;
- CHPI funding is an annual fixed allocation, and there is no per diem based on occupancy for emergency shelters or variation due to case load; and

- Municipal funding can be used in any service category, although there is no mandatory cost sharing.

The province's Long Term Affordable Housing Strategy articulates a vision for a 'service system' for housing and homelessness programs that is people-oriented, outcome focused, and reflects a Housing First approach to prevent, reduce and address homelessness. There is a shift in focus from emergency to long-term housing solutions.

The province requires that local Housing and Homelessness Plans reflect this vision. Peterborough has engaged a consultant and will consult on the local plan, with a report for Councils' consideration in 2013.

Timeline for the Use of CHPI Funding for 2013

TIME LINE	PROGRAM DETAIL
Fall 2012	CHPI Program Guidelines sent to City from MMAH providing more detail about how CHPI funds may be used, reporting requirements, and template for the required Investment Plan
December 10, 2012	CHPI Administration Agreement signed by City and MMAH triggering first payment in 2013
January – March 2013	City Service Agreements with community agencies revised and signed for 2013
February – March 2013	CHPI Investment Plan sent to MMAH from the City, to explain how CHPI funding will be used in four service categories
Summer 2013	Peterborough's Ten Year Housing and Homelessness Plan (draft) could lead to suggestion/adjustment for the use of CHPI funding for future years
Fall 2013	CHPI Investment Plan revisions

SUMMARY

Provincial funding that was previously available to assist households to maintain their residents has been significantly reduced, resulting in an increased number of people at-risk of homelessness and requiring support services. This report recommends an approach for the use of CHPI and requests additional municipal funding in 2013 to partially mitigate the impact of loss of financial supports to clients.

This approach also focuses on maintaining stability among current service delivery partners while the impact of provincial funding cuts can be assessed, and while Housing and Homelessness Planning takes place, including a review of current housing and homelessness program and services. Social Services staff and community partners will work with households to problem-solve and case plan solutions to housing-related issues that arise. Resolutions will require more creative, collaborative solutions since funding will be very limited.

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Attachments:

- Appendix A – July 24, 2012 Letter from Janet Hope, Assistant Deputy Minister, Ministry of Municipal Affairs and Housing – CHPI Introduction
- Appendix B – September 27, 2012 Letter from Janet Hope, Assistant Deputy Minister, Ministry of Municipal Affairs and Housing – Confirmed Allocation
- Appendix C – Ministry Funding Allocation Details
- Appendix D – CHPI Expenditure Plan