



CITY OF HAMILTON
COMMUNITY AND EMERGENCY SERVICES DEPARTMENT
Housing Services Division

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	December 8, 2015
SUBJECT/REPORT NO:	Implications of Housing Crisis on Emergency Shelter Services (CES15061) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brian Kreps 905-546-2424 ext. 4329 Gillian Hendry 905-546-2424 ext. 4818
SUBMITTED BY:	Joe-Anne Priel General Manager Community & Emergency Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the General Manager, Community and Emergency Services Department, or designate, be authorized and directed to reallocate funding in the amount of \$110,000 from the Housing Stability Benefit within the 2016 Community Homelessness Prevention Initiative budget to Good Shepherd Centres to deliver a shelter diversion program for families at imminent risk of homelessness;
- (b) That the General Manager, Community and Emergency Services Department, or designate, be authorized and directed to reallocate funding in the amount of \$150,000 from the Housing Stability Benefit within the 2016 Community Homelessness Prevention Initiative budget to Good Shepherd Centre to deliver a more flexible housing stability benefit to support families participating in the shelter diversion program;
- (c) That the General Manager, Community and Emergency Services Department, or designate, be authorized and directed to execute any agreements necessary to give effect to Recommendation (a) and (b) of Report CES15061, prepared in a form satisfactory to the City Solicitor; and,
- (d) That the Mayor, on behalf of Council, send a letter to the Honourable Helena Jaczek, Minister of Community and Social Services, to request that she take action to address the occupancy pressures within the Violence Against Women (VAW) services which is creating financial pressures for the Community Homelessness Prevention Initiative in the City of Hamilton.
- (e) That the Mayor, on behalf of Council, send a letter to the Honourable Ted McMeekin, Minister of Municipal Affairs and Housing, to advocate for additional

funding through the Community Homelessness Prevention Initiative to address the pressures in services for people experiencing homelessness in Hamilton.

EXECUTIVE SUMMARY

This report provides an update concerning the factors resulting in an affordable housing crisis in Hamilton, its implications for homelessness programs and services and possible steps that can be taken to mitigate the situation.

Report CES15018 – 2014 Changes to the Rental Housing Market, received by Emergency and Community Services (E&CS) Committee at its April 13, 2015 meeting, reported data from the Canada Mortgage and Housing Corporation (“CMHC”) about 2014 vacancy rates and average rental rates in Hamilton. That data showed that vacancy rates dropped significantly in Hamilton and average market rents had increased. These are indicators of reduced housing affordability that leads to increased housing instability. Although CMHC has recently released its 2015 rental market data, the City has not received data specific to Hamilton and the purpose built rental market. It is anticipated that this data will show that the affordable housing market in Hamilton is continuing to shrink. There is however, anecdotal evidence to support the premise that Hamilton is experiencing an affordable housing crisis which is in turn impacting the homelessness service system in Hamilton.

- Occupancy in the men’s emergency shelter system (three shelters in total) spiked in September 2015 to 97% and in October 2015 to 102%;
- For the first 10 months of 2015, Good Shepherd Mary’s Place serving single homeless women operated at 100% occupancy and reported turning away women on more than 1,700 occasions because there was no space;
- When Mary’s Place is full, single women may access overflow beds at Womankind and Violence Against Women (VAW) shelters. It is forecasted that the number of overflow beds accessed in 2015 could reach 2,645 which would represent a 17% increase from 2014;
- The occupancy rate at the Good Shepherd Family Centre for the first 9 months of 2015 was 103%. When the Family Centre cannot accommodate a family, they make a referral for a hotel stay paid for by the City;
- The number of paid hotel nights for the first 9 months of 2015 increased 30% over the number of paid hotel nights in all 2014 for both family shelter and VAW clients who could not be accommodated in a shelter;
- Occupancy at Good Shepherd’s Notre Dame House, an emergency shelter that serves youth, has been relatively steady in 2015 averaging approximately 75%

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although Good Shepherd Centre is reporting a pressure of \$230,000 in their operational budget due to a decrease in charitable donations.

There are activities underway to address the pressures in the men's and women's emergency shelter system. Housing Services Division staff and community partners are working with the shelters serving single men to identify a contingency plan to help mitigate pressures associated with cold alerts, such as those that occurred in 2014 and 2015.

To help address the occupancy pressures in the single women's shelter system, Council approved five additional permanent beds at Mary's Place, 15 additional temporary emergency beds and a team of five mobile case managers effective November 30, 2015. A Call for Applications (CFA) was conducted by Housing Services Division staff in the summer of 2015. The successful proponents for the CFA were the Native Women's Centre's Honouring the Circle for the 15 additional temporary beds and Good Shepherd Centres for the mobile case management team.

In reviewing the entire shelter system, it is apparent that the shelter system serving families has received the least in new investments in recent years. The federally funded Housing First Programs are now in place for youth, single women and men. The only Housing First service available for families is the Aboriginal Housing First Program, Homeward Bound, which serves families and single individuals. It is an objective of Hamilton's homelessness system and a best practice to implement preventative programs to reduce the number of admissions to shelter rather than add more emergency shelter beds which is the most costly and reactive intervention. A shelter diversion program is offered to youth at Notre Dame House. Its success is reflected in the manageable occupancy rates at Notre Dame. The women's shelter system has recently implemented an eviction prevention program called Staying Home with the objective of reducing the number of women requiring emergency shelter.

It is therefore recommended that a Family Shelter Diversion program be developed and implemented as a pilot project from January 1, 2016 to December 31, 2016 to ease the number of families staying at the Family Shelter and to reduce the hotel stays when they are full. It is recommended that \$110,000 be approved for additional staff at the Family Centre staff to assist families requesting emergency shelter services by helping them to determine whether there are suitable alternatives to shelter, such as staying with family or preserving an existing tenancy through advocacy or mediation. Existing Community Homelessness Prevention Initiative (CHPI) funding will be reallocated from the Housing Stability Benefit for this purpose.

It is also recommended that \$150,000 be repurposed from the Housing Stability Benefit to create a "flex-fund" that would be available to families for costs associated with preserving existing housing or securing new housing. Lastly, it is recommended that Housing Allowances be designated from the existing Supplement/Housing Allowance Reserve (Account #112252) for large families accessing shelter and to increase the

value from \$200 per month to \$400 per month to accommodate larger families who require three or more bedrooms at an increased cost.

If approved, staff will return with a report in September 2016 regarding the effectiveness of the Family Centre Shelter Diversion Program.

It is recommended that the Mayor, on behalf of Council send a letter to the Honourable Helena Jacek, Minister of Community and Social Services, informing her of the pressures that are being placed on the homelessness system in Hamilton as a result of the occupancy pressures within the provincially-funded Violence Against Women (VAW) system.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

The Community Homelessness Prevention Initiative (CHPI) is a provincial homelessness program funded by the Ministry of Municipal Affairs and Housing (MMAH). The total 2016 CHPI budget is \$22,398,663. Hamilton receives \$19,073,663 in annualized funding from the Province. The City budgets \$3,325,000 per year in levy funding for the CHPI.

CHPI funding is allocated to a number of different programs related to homelessness and homelessness prevention including the Housing Stability Benefit. There is no change in Provincial CHPI funding in 2015-16 fiscal year from the 2014/15 fiscal year despite rising program costs and pressures in the emergency shelter system.

The \$110,000 in program costs for the Family Shelter Diversion Program and \$150,000 to deliver a more flexible housing stability benefit to support families participating in the shelter diversion program will be drawn from the Housing Stability Benefit which is part of the existing CHPI Budget. The Housing Stability Benefit (HSB) provides funding to Ontario Works and Ontario Disability Support Programs (ODSP) recipients who are at risk of losing their housing or who are homeless and trying to secure new housing. In 2015, slight underspending is forecast in the HSB. Diverting \$260,000 in funding for the HSB in 2016, however, would likely create a pressure. Housing Services Division staff will review the eligibility criteria for the program in order to ensure the financial sustainability of the program with the recommended changes. There will be no impact to the net levy.

Increasing the amount of Housing Allowances from \$250 to \$400 for large families would be funded from Supplement/Housing Allowance Reserve (Account #112252) as authorized by Council in Report CS11017(d). The balance available in 2016 will be \$695,495. The report established priorities including addressing urgent issues in the housing and homelessness system.

Staffing:

There are no staffing implications associated with Report CES15061.

Legal:

There are no legal implications associated with Report CES15061.

HISTORICAL BACKGROUND

The Community Homelessness Prevention Initiative (CHPI) was implemented in January 1, 2013 and combines funding from former separate housing and homelessness programs into a single program. CHPI is designed to provide municipalities with greater flexibility to address local priorities and better meet the needs of individuals and families who are homeless or at risk of becoming homeless. The CHPI does not prescribe specific homelessness interventions, but instead identifies a series of broad outcomes that are expected to be achieved.

In December 2013, City Council approved the 10-year Housing and Homelessness Action Plan ("Action Plan") for Hamilton (Report CS11017(c)). The Action Plan is a 10-year solution focused and person-centred plan that establishes outcomes, targets and strategies for addressing affordable housing and homelessness issues in the community.

Since Council approved the Action Plan, there have been data and evidence showing increased pressures related to housing affordability in Hamilton. At its April 13, 2015 meeting Emergency and Community Services Committee received Report CES15018 - 2014 Changes to the Rental Housing Market. The report highlighted 2014 data from Canada Mortgage and Housing Corporation evidencing significant changes to the rental housing market in Hamilton. These changes included a 12% increase in average market rents between 2010 and 2014. It also included a reduction in the vacancy rate from 4.3% in 2010 to 2.3% in 2014. These changes create affordability challenges for many households in Hamilton that could result in increased housing instability and homelessness.

On May 25, 2015, Emergency and Community Services Committee approved Report CS13051(b) entitled Emergency Report Pressure at Emergency Shelters Serving Single Women. The report directed staff to conduct a Call for Applications (CFA) for agencies to provide 15 temporary emergency shelter beds for single women experiencing homelessness and five mobile case managers to assist women who are staying in emergency shelter beds to access and maintain permanent housing.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The City's 10-year Housing and Homelessness Action Plan is the guiding document for policy and resource allocation decisions for the City of Hamilton and its community partners. The emerging issue of higher rental costs and decreasing vacancy rates in

the City heightens the urgency in implementing the strategies outlined in the Action Plan.

RELEVANT CONSULTATION

Consultation was undertaken with the Hamilton Emergency Shelter Integration and Coordination Committee, the Women's Housing Planning Collaborative, the Street Youth Planning Collaborative and the Good Shepherd Family Centre. There was agreement that shelters serving families and single women are experiencing occupancy pressures. There was also support for taking approaches that improve diversion from shelter and increase the speed at which people leave shelter.

Further consultation will be undertaken, as needed to successfully implement the recommendations outlined in Report CES150061 and may include the City's new Housing and Homelessness Citizen Advisory Group and the Housing and Homelessness Planning Group (comprised of multi-sector representatives).

ANALYSIS AND RATIONAL FOR RECOMMENDATION

Hamilton's Emergency Shelter System

Recent data from Hamilton's emergency shelters support the assumption that Hamilton's changing rental market is resulting in greater housing instability which is in turn impacting the emergency shelter system in Hamilton.

Out of concern for high levels of shelter use and the approach of colder weather, Housing Services staff reviewed each of the four shelter systems to determine potential risks and solutions to mitigate these risks.

Men's Shelter System

Occupancy in the men's shelter system spiked in September (97%) and October (102%) of 2015 which was cause for alarm. Closer analysis has shown a similar pattern in 2014 with spikes in September (104%) and October (99%). Across the entire ten month period from January to October, average occupancy has decreased slightly from 96% in 2014 to 93% in 2015.

While occupancy has spiked recently in the shelters serving men, the pattern appears to be similar to last year when occupancy evened out through the winter. The men's emergency shelters identified that the large number of cold alerts experienced in 2014/15 created significant challenges for them. During cold alerts, shelters suspend service restrictions, except in the most severe situations. The presence of people with difficult behaviours along with "cabin fever" due to prolonged cold alerts resulted in a great deal of damage to the shelters and severe stress for shelter staff. Housing Services staff will work with the men's shelter providers to establish a contingency plan that could be put in place if the same situation were to arise this winter.

Single Women's Shelter System

Occupancy in shelters serving single women is consistently high. For the first ten months of 2015, Mary's Place which serves single women experiencing homelessness operated at 100% occupancy and reported more than 1,700 times when they turned women away because there was no space. When Mary's Place is full, single women may access overflow beds at Womankind and the VAW shelters, if space is available. The City of Hamilton funds these overflow beds through the Community Homelessness Prevention Initiative (CHPI). The use of overflow beds has increased year over year since 2011. Staff forecast that the cost of all overflow beds will be \$240,000 in 2015 which would be a 17% increase over 2014.

On May 25, 2015, Emergency and Community Services Committee approved Report CS13051(b) entitled Emergency Report Pressure at Emergency Shelters Serving Single Women. The report directed staff to conduct a Call for Applications (CFA) for agencies to provide 15 temporary emergency shelter beds for single women experiencing homelessness and five mobile case managers to assist women who are staying in emergency shelter beds to access and maintain permanent housing. The CFA is intended to address the occupancy pressures in the emergency shelters serving single women experiencing homelessness.

The CFA closed on September 11, 2015 and Native Women's Centre was the successful proponent to provide the 15 temporary emergency shelter beds. Good Shepherd Centres was the successful proponent for the mobile case management services. The case management team will work with single women who need more support than can be provided by shelter staff, but whose needs are not sufficiently high that they qualify for housing first services through Supporting Our Sisters (SOS). The temporary services will open on November 30, 2015 and will continue until December 31, 2016. These temporary projects will be closely monitored and staff will make recommendations about future funding in the Fall of 2016. It is expected that this combined investment of approximately \$800,000 to deliver the additional services will support the reduction of the current occupancy pressures and help women to leave shelters more quickly.

Violence Against Women (VAW) Shelters

One of the challenges in addressing the needs of both single women and female headed families is the lack of capacity within the provincially-funded Violence Against Women (VAW) system. The overflow beds funded by the City are used to shelter both single women and victims of abuse when a VAW shelter goes over its cap assigned by the province. Additionally, the referrals to hotel are for families who cannot be accommodated at the Family Centre funded by the City as well as victims of abuse who cannot be accommodated in the VAW shelters. Housing Services staff met with Ministry of Community and Social Services (MCSS) staff regarding these concerns. While MCSS is working on a number of initiatives relating to the VAW sector, there has

been no indication that additional funding may be forthcoming to expand their service to accommodate this growing need.

It is therefore recommended that the Mayor, on behalf of Council, send a letter to the Honourable Helene Jaczek, Minister of Community and Social Services, to request that she address the current lack of capacity within the VAW system in Hamilton and at minimum to increase the City's CHPI allocation to cover the increasing cost of hotel stays when the VAW shelters are full.

Family Shelter

The Good Shepherd Family Centre has had 100% occupancy since 2011. The occupancy rate for the first 9 months of 2015 was 103%. When the Family Centre cannot accommodate a family, referrals are made for hotel stays which are paid for by the City. The number of hotel referrals where domestic violence was not specifically identified increased from 59 to 67 between 2011 and 2014 which is a 10% increase. During that same time period, the number of paid hotel nights increased by 49%. For the first 9 months of 2015, the number of paid hotel nights represent a 92% increase over 2011 and a 30% increase over 2014.

Homelessness and shelter occupancy are driven by many factors. In reviewing the shelter system it is apparent, that the shelters serving families have received the least investment in recent years. Housing First programs have been funded focusing on youth, single women and men. Additional beds and case management services are being put in place for single women as of November 29, 2015. The only additional investment for families has been the aboriginal housing first program, Homeward Bound, which serves families as well single individuals.

The high number of hotel placements and increased costs suggest that action needs to be taken to address these pressures. Housing Services staff are working with the Good Shepherd Centres to implement a plan that will divert families from shelter where alternatives can be found and to help improve the affordability of housing for large families through housing allowances.

Shelter diversion is a promising strategy that has been used successfully in other areas. Locally, the Region of Waterloo has implemented a successful shelter diversion program that has reduced occupancy in its shelters and hotel placements. The concept of shelter diversion recognizes that while shelters play an important role, they can be a challenging environment and potentially prolong people's experience of homelessness. Diversion programs seek to help families remain housed, thus resulting in less disruption to their lives. Part of diversion programs is a reorientation of services outside of the shelter so that families' crises can be addressed while they are still in the community rather than needing to go to the shelter for help.

The diversion program plan consists of the following three elements:

1. Provide funding in the amount of \$110,000 to establish and implement a diversion program through Good Shepherd Centres. The shelter diversion program would create a process whereby families wishing to secure beds at the Family Centre would first speak with a staff person who will work with them to understand their current crisis and problem solve alternatives to shelter such as staying with friends or family or preserving their existing tenancy. The Good Shepherd staff person would provide advice as well as advocacy and mediation with landlords or family members to help preserve tenancies.
2. Repurposing \$150,000 from the existing Housing Stability Benefit funding to create a “flex-fund”. Good Shepherd Staff would have access to this “flex-fund” which could be used to cover a variety of expenses that would allow the family to remain housed where they are currently or help them to secure new housing without entering the shelter.
3. Housing Allowance funding from the Rent Supplement/Housing Allowance Reserve (#112252) would be used to create housing allowances for large families. These families often experience long stays in hotel and shelter, in part, because they have difficulty finding housing that is large enough to meet their need and at a cost they can afford. Use of funds from the reserve for this purpose is consistent with Council approved authorization (Report (CS11017(d)). These Housing Allowances would be increased from \$200 per month to \$400 per month to recognize the increased costs for rental units with 3 or more bedrooms.

Youth Shelter System

Occupancy at Good Shepherd’s Notre Dame House, an emergency shelter that serves youth, has been relatively steady in 2015 averaging approximately 75%.

Notre Dame is the only emergency shelter for youth in Hamilton. While occupancy at Notre Dame appears manageable, there are concerns about the shelter’s financial viability. Good Shepherd Centres, who operates Notre Dame, has reported reduced fundraising revenue for the program and a budget pressure of \$230,000 in 2015 due to unresolved funding challenges for the Notre Dame Resource Centre. The City funds the Notre Dame Resource Centre in the amount of \$250,000 per year on a year to year basis. It is anticipated that the City’s Service Agreement for the Notre Dame Resource Centre will be extended for another year from April 1, 2016 to March 31, 2017 while a full review of the youth homelessness system is conducted. The Good Shepherd has requested additional funding from the City in the amount of \$230,000. There is no surplus CHPI funding forecast for the 2015 calendar year to assist Good Shepherd Centres in addressing the budget pressure.

Good Shepherd has also identified funding pressures at Brennan House, their residential program for youth with mental health issues. The City pays a per diem of \$44 per day for six beds at Brennan House to address an ongoing lack of housing for

youth in the community. Good Shepherd has reported that the actual cost is \$77 per day which has created a pressure of \$130,000. The Ministry of Children and Youth Services is the primary funder and service manager for this stream of service. As with the Notre Dame pressure, there is no surplus CHPI funding forecast for the 2015 calendar year to address this budget pressure.

Hamilton's 10-year Housing and Homelessness Action Plan

The City's 10-year Housing and Homelessness Action Plan ("Action Plan") contains 54 strategies designed to achieve targets associated with five broad outcome themes: supply, affordability, supports, quality and equity. Achieving the targets would significantly help address the implications outlined in Report CES15061 associated with the erosion of housing affordability in Hamilton. Housing Services Division continues to work with other City Departments and community partners to implement the strategies but, although progress is being made on some strategies, many others require increased financial commitments and concerted efforts from all orders of government.

Current Rental Market

Housing Services Division staff annually track the health of the rental market in Hamilton. On April 13, 2015, Report CES15018 – 2014 Change to the Rental Market was presented to the Emergency and Community Services Committee. The report, using a special and proprietary data run from Canada Mortgage and Housing Corporation (CMHC) for the City of Hamilton, found that vacancy rates were dropping in Hamilton and average market rents were increasing rapidly. The report warned that these are indicators of reduced housing affordability that could lead to decreased housing stability.

CMHC subsequently released its Rental Market Report – Ontario Highlights in June 2015 which indicated that vacancy rates in the Hamilton Census Metropolitan Area (CMA – which includes Burlington and Grimsby) had fallen from 2.3% in April 2014 to 1.8% in April 2015. The decrease in vacancy rates was seen across all apartment sizes and was particularly marked for apartments with 3 or more bedrooms which had a vacancy rate of less than 1%. The data further reported that the average market rent also rose across all apartment sizes. The largest increases were seen in rents for bachelor apartments which rose from \$586 to \$643 (a 10% increase) and two bedroom apartments which rose from \$943 to \$998 (a 6% increase).

While these data should be regarded cautiously because they include neighbouring communities, it is anticipated that localized data for the City of Hamilton for 2015 will show this trend continuing. There is also anecdotal evidence that suggests that the changing housing market may be contributing to housing instability and homelessness among some Hamiltonians with low-incomes. For example, there are known instances of landlords offering cash incentives to tenants to vacate rental units so that these units can be renovated and re-rented at much higher rates.

The decrease in affordability across various sizes of rental housing is concerning. This is particularly true for smaller units because they are most often occupied by the lowest-income renters who already pay an average of 69% of income to rent, leaving them at risk of homelessness. Almost one-third of Hamilton households rent their homes in comparison to 22 percent across the province. The number of units in the primary rental market has dropped, including almost 2,000 due to approval of condo conversions. It is becoming increasingly more difficult to find affordable housing in Hamilton. This is particularly true for clients of rent subsidy programs or people who are considered hard to house. Landlords who participated in the City's rent supplement and housing allowance programs in the past, no longer need this program to fill vacant units and no longer wish to participate in the program.

Another factor contributing to the lack of supply of affordable housing in Hamilton is the capital repair pressures associated with the City's aging social housing stock. Utilizing a projection of the estimated costs of capital repairs for 10 of the 43 social housing providers in Hamilton that have completed building condition assessments and reserve fund studies since 2009; it is projected that the cost to all of Hamilton's social housing stock will be over \$400 million over the next twenty years. The number of housing units that are vacant is increasing due to the lack of funding for major repairs and the number of households waiting for social housing continues to increase.

ALTERNATIVES FOR CONSIDERATION

There are no alternatives to Report CES15061.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

APPENDICES AND SCHEDULES ATTACHED

None