

CITY OF HAMILTON

COMMUNITY SERVICES DEPARTMENT *Housing Services Division*

TO: Chair and Members Emergency & Community Services Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: May 13, 2013	
SUBJECT/REPORT NO: Extension of Housing Stability Benefit to December 31, 2013 (CS13027) (City Wide)	
SUBMITTED BY: Joe-Anne Priel General Manager Community Services Department	PREPARED BY: Gillian Hendry (905) 546-2424 Ext. 4818 Brian Kreps (905) 546-2424 Ext. 4329
SIGNATURE:	

RECOMMENDATION

- (a) That the provision of Housing Stability Benefits continue to December 31, 2013, to be funded from the one-time Provincial Transition Grant (\$3,190,278) and the 2013 Community Homelessness Prevention Initiative approved budget (\$3,875,000); and,
- (b) That staff provide an update to the Emergency and Community Services Committee in September 2013 regarding the on going status of the funding of the Housing Stability Benefits.

EXECUTIVE SUMMARY

On January 1, 2013, the Province eliminated the Community Start Up and Maintenance Benefit (CSUMB) as a mandatory benefit from the Ontario Works (OW) and Ontario Disability Support Programs (ODSP). CSUMB provided financial assistance to households who are at risk of losing their housing or who are homeless and trying to secure new housing. The Province decided that the provision of financial supports for

housing would be at the discretion of each municipality who would determine how best to deliver this type of support.

At the same time, the Province of Ontario amalgamated five homelessness prevention programs into the Community Homelessness Prevention Initiative (CHPI). The goal was to give Municipal Service Manager's greater flexibility to address local needs. Hamilton's CHPI allocation is \$15,493,150 for 2013.

At the December 10, 2012, Emergency and Community Services Committee, a plan for the creation of a new Housing Stability Benefit was approved as outlined in Report CS12031(a) - Community Homelessness Prevention Initiative (CHPI). The HSB was designed to provide financial assistance at the same level and with the same eligibility criteria as CSUMB for the first six months of 2013. The Housing Stability Benefit became available on January 2, 2013. People in receipt of Ontario Works and people staying in emergency shelters access the benefit through Ontario Works case managers. People in receipt of ODSP access the HSB through the Housing Help Centre which has been contracted to provide this service.

The budget for six months was set at \$3,875,000 based on 2011 CSUMB expenditure levels. The majority of the funding for the six month HSB budget was \$3,325,100 in net levy funding. This funding had previously been directed toward the cost-sharing for the programs later combined into CHPI. General Issues Committee (GIC) restated this funding to CHPI to fund the Housing Stability Benefit on November 7, 2012 (Item 8.12(a) of Report 12-032). The balance of the budget came from CHPI (\$505,090) and from reserves (\$44,800). GIC also directed staff to bring the request for funding for the continuation of the benefit for the balance of the 2013 transition year as part of the 2013 Budget deliberations.

On December 27, 2012 the Ministry of Community and Social Services (MCSS) announced that the City of Hamilton would receive \$3,190,278 in a one-time grant. The intent of the one-time transitional grant was to complement the existing CHPI allocation. The funding may be used for a range of CHPI housing and homelessness related supports based on local priorities such as the Housing Stability Benefit. The additional funding from MCSS negated the need to request additional funding for 2013 as part of the 2013 budget process.

During the first quarter of 2013, \$888,676 of the MCSS one-time transitional grant was spent on the HSB. This is \$1,048,824 (54%) less than budgeted. As the HSB is a new program, it is difficult to determine if spending during the first quarter is representative of the program demand for the entire year. Based on the actuals for the first quarter, the projection in spending for the full year has been reduced by \$1,048,824 from \$7,750,000 to \$6,701,176. The reduction in the forecasted cost of the HSB means that no additional funding is required from reserves or other sources in 2013.

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While uptake of the program has been lower than anticipated, there is significant demand for the HSB. The amount issued month-over-month for Ontario Works and ODSP clients and people staying in shelters is increasing. It is anticipated that as clients and community agencies become more familiar with the new program, uptake will continue to grow.

Staff will bring a report to the Emergency & Community Services Committee in September 2013 with recommendations regarding the allocation of CHPI funding from January 1, 2014 onward. A recommendation regarding the future of the Housing Stability Benefit, which will be informed by an interim evaluation of the benefit, will be included as part of the report. If under spending does continue in 2013, the report will contain recommendations about reallocating the remaining funding to address local pressures for programs funded through the CHPI budget.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS
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Financial:

The HSB is currently budgeted at \$3,875,000 for January to June 2013. With the receipt of the Provincial Transition Grant of \$3,190,278, a total of \$7,065,278 is available for HSB for 2013. Based on actual expenditures for the first quarter of 2013 and forecasted uptake for the remainder of the year, this amount will be adequate to provide continued benefits through to December 31, 2013. Staff will continue to monitor costs and will include an update in the September committee report.

The original full year budget for HSB was \$7,750,000 based on 2011 spending. It is now forecast that the HSB will cost \$6,701,176 for the full year factoring in reduced costs for the first quarter. Table 1 outlines the HSB budget for 2013. It is recommended that funding for the HSB be first, drawn from the one-time Provincial Transition Grant, secondly, from the 2013 CHPI budget and last from the net levy funding budgeted for the Housing Stability Benefit. No funding shortfall is forecast for 2013.

	BUDGET	ACTUAL Q1	FORECAST Q2-Q4	FULL FORECAST	Variance to Budget
Housing Stability Benefit	7,750,000	888,676	5,812,500	6,701,176	1,048,824
Reserve (2013 budget)	(44,800)		0	0	(44,800)
Levy (2013 budget)	(3,325,110)		(3,325,110)	(3,325,110)	0
CHPI (2013 budget)	(505,090)		(185,786)	(185,786)	(319,304)
MCSS One Time	(3,190,280)	(888,676)	(2,301,604)	(3,190,280)	0
Unbudgeted Levy (Shortfall)	684,720	0	0	0	684,720

Staffing:

There are no staffing implications associated with Report CS13027

Legal:

The Service Agreement with the Housing Help Centre to deliver the HSB to ODSP clients falls under the Schedule B exemption to the City of Hamilton's Procurement Policy thus removing the requirement to tender the delivery of the HSB. If approved, the agreement will be extended with the Housing Help Centre until the end of the year.

HISTORICAL BACKGROUND

On March 27, 2012, the Province announced the elimination of CSUMB from the Ontario Works (OW) and Ontario Disability Support Program (ODSP) Programs as part of the 2012 Provincial Budget.

On July 24, 2012, the Ministry of Municipal Affairs and Housing (MMAH) announced the 2013 funding allocation for the consolidation of five existing housing and homelessness programs into the Community Homelessness Prevention Initiative (CHPI). The City of Hamilton was allocated \$15,549,263 in a single funding envelope for 2013.

On September 12, 2012, Report CS12031 Community Homelessness Prevention Initiative which provided an introduction to the CHPI program and a request that the levy portion associated with CSUMB and the programs being consolidated into CHPI be reallocated to the new CHPI program, was tabled to the October 10, 2013 Council meeting. Additional information was requested regarding the financial implications of the recommendations in Report CS12031 as well as the cap on Discretionary Benefits.

On November 1, 2012, a special meeting of the Emergency and Community Services Committee was held to discuss the impact of the cap on Discretionary Health Benefits and the restatement of the net levy portion of funding from homelessness programs to CHPI. Staff were directed to report to the General Issues Committee on November 7, 2012 with a deficit strategy for CSUMB and offer options for the November 7, 2012 General Issues Committee meeting.

At the November 7, 2012 General Issues Committee meeting, as per Item 8.12(a) of Report 12-032 of the General Issues Committee, the replacement for CSUMB was to be funded as follows:

- Effective January 1, 2013, the net levy portion of existing housing to a total of \$3,325,100 be restated to CHPI
- Combined one time municipal funding in the amount of up to \$3.4 million will be provided for both Discretionary Benefits and CSUMB to maintain the current

service levels for a period of six months beginning January 1, 2013, to be funded from the Community Services Department surplus, corporate surplus, tax stabilization reserve, Social Services Initiatives Fund, Ontario Municipal Partnership Fund reconciliation or any combination thereof.

- The funding required for the continuation of the CSUMB for the balance of the 2013 transition year will be referred to the 2013 Budget deliberations with consideration of 2013 Ontario Works upload saving and/or the Hamilton Future Fund.

At the December 10, 2012, Emergency and Community Services Committee, a plan for the new HSB was approved as outlined in Report CS12031(a) - Community Homelessness Prevention Initiative (CHPI). The HSB was designed to provide financial assistance at the same level and with the same eligibility criteria as CSUMB for the first six months of 2013.

On December 27, 2012, the Ministry of Community and Social Services announced that the City of Hamilton will receive \$3,190,278 in a one-time grant.

The HSB was implemented January 2, 2013.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

Extension of the HSB for an additional six months supports some of the strategies in the City's 10-year Housing and Homelessness Action Plan (Report CS11017(b)) which was endorsed by Council on June 11, 2012. The HSB supports the Action Plan's outcomes which state "People have the individualized supports they need to help them obtain and maintain housing" and "People receive respectful, quality service within a "user-friendly" system and experience equity in housing".

RELEVANT CONSULTATION

Finance and Administration staff verified the financial information to support the recommendation.

A consultation session was held on October 19, 2012 to discuss the development of a program to replace CSUMB. The session was attended by the leaders of community groups that plan and coordinate services for people experiencing homelessness. Representatives of the Hamilton Legal Clinic, the Regional ODSP office, and the

Hamilton Roundtable for Poverty Reduction were also in attendance. Extending the HSB for six months is consistent with the advice received during the consultation.

ANALYSIS / RATIONALE FOR RECOMMENDATION

Extension of the HSB for the Balance of 2013

Continuing the HSB until the end of 2013 replaces the gap left by the Province's elimination of CSUMB. While uptake of the program has been lower than anticipated, there has still been significant demand for the HSB. In the first quarter of 2013, 339 applications were approved for ODSP clients through the Housing Help Centre. The Housing Help Centre was flowed \$692,499 for the first quarter. A portion of this funding is to cover the cost of staff delivering the program. The funding will be reconciled on a quarterly basis. In the first quarter, \$583,177 in HSB was issued by OW Case Managers to OW recipients and ODSP recipients staying in emergency shelters.

It is anticipated that as clients and community agencies become more familiar with the new program, uptake will continue to grow. Without this benefit, households in receipt of social assistance will be at greater risk of homelessness and have a harder time leaving emergency shelters and securing long-term housing.

Housing Benefit Delivery in Other Municipalities:

Through the Ontario Municipal Social Services Association's Homelessness Network, staff learned that many other municipalities are experiencing lower than anticipated uptake of their programs designed to replace CSUMB. This has been attributed to a variety of reasons including lack of staff familiarity with new processes, lack of familiarity among clients with new service delivery models and no longer offering benefits "over and above" the maximum levels.

In designing their programs, municipalities each responded differently to the challenges of limited funding for benefits and staffing. Variations among programs are categorized below:

- Benefit level offered;
- Items covered;
- Income sources covered; and,
- Delivery mechanism.

Some municipalities such as Hamilton, Halton and Toronto offer benefits at the same level as CSUMB. Others such as Brantford, Peel and London have lowered the benefit level. No municipality appears to have increased the level.

Many communities have reduced the type of items they will fund through their local benefit. Most commonly the benefits focus on last month's rent, rental arrears and utility arrears. Some communities no longer fund startup costs such as beds and furniture. A number of communities including Brantford, Halton and Ottawa award funding based on income level, rather than income source. Niagara primarily provides assistance to OW recipients but has recently expanded the eligibility criteria to include ODSP recipients.

Most municipalities deliver the benefit to OW recipients through their OW case managers. Service delivery to ODSP recipients or low-income residents is more often done through community agencies.

The programs are in their early stages making it difficult to determine what practices are truly promising. Staff will continue to follow the programs over the next few months so as to inform the September CHPI report for the Emergency and Community Services Committee.

ALTERNATIVES FOR CONSIDERATION

There are no alternatives for consideration.

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.
- 2.3 Enhance customer service satisfaction.

APPENDICES / SCHEDULES

None