

January 3, 2014

To: London City Council

From: London Community Advocates Network

RE: 2014 CITY BUDGET
Adequate Funding for Homelessness Programs Incl. the Housing Stability Fund

The London Community Advocates Network (the "Network") is comprised of approximately 50 community organizations that assist recipients of Ontario Works and Ontario Disability Support Program benefits in London and Middlesex County. We meet as a group on a quarterly basis with staff from both program areas to provide input into local issues and policies affecting the vulnerable population we serve. In addition, the Network advocates on behalf of low-income Londoners to ensure they are represented vis-à-vis poverty issues at the municipal, provincial, and federal levels.

The main issue for the Network in the 2014 proposed City Budget is the substantial inadequacy of funding for the Community Homelessness Prevention Initiative (CHPI) program, which includes the Housing Stability Fund.

We see from the draft budget documents that funding for CHPI is being reduced by \$628,000 for the upcoming year. This reduction appears to coincide with the Province ending their Community Start Up Transition Funding as of March 2014. As well, from our perspective, CHPI funding is being further reduced because the Mental Health Addiction Program budget of \$1.25 million is ending and the program services will be subsumed by the Homelessness portfolio.

To begin with, we believe that the CHPI funding for 2013 was not adequate to meet the needs of low-income Londoners in finding and maintaining housing. We understand that the inadequate funding was in large part due to the Province ending the Community Start Up and Maintenance (CSUMB) program and only providing municipalities with approximately half of the previous CSUMB budget. Our Network implored the Province not to end the CSUMB program. Our efforts were not successful; however, we believe that the work of many organizations across the Province of Ontario, including our Network, prompted the Provincial Government to implement the one-year, \$42 million dollar transitional CSUMB fund. The Network has again recently written to the Province [see Appendix 1] as part of a provincial campaign to ensure that the Province, at the very least, maintains the transitional municipal funding of \$42 million dollars for the loss of CSUMB. Our letter to the Premier outlines why we believe it is important for the Province to take this action. We submit that the City of London concurs with our position on this issue, as is evident from a review of the comments on the funding of the homelessness programs in the draft City Budget document.

It is our submission that the City should allocate additional funds to the CHPI program, in the absence of, or in addition to any ongoing transitional funding delivered by the Province. There are a number of compelling reasons for the City to allocate much-needed resources to the CHPI program and in particular:

- Due to the ongoing uploading of Ontario Works, the City is saving \$2.614 million dollars in the upcoming fiscal year. We implore the City to direct all or most of those savings to the assistance of low-income Londoners, so they may find and maintain housing. Those savings should also be used to cover items that the CSUMB fund used to cover.
- As our letter to the Province outlines, the current Housing Stability Fund does not cover much-needed items and services that used to be covered by the CSUMB. Moreover, the current fund is under enormous stress to cover items and services that are currently being funded. The Network does not want to see the fund be further restricted in relation to items and services being provided and/or requesting further loan requirements from fund applicants in order to meet the currently proposed fund for the future.

We submit that providing adequate funding for the Housing Stability Fund will ultimately save money as individuals and families will avoid using the more expensive shelter option.

Yours truly,



Mike Laliberte,
Co-Chair OW/ODSP Advocates Network

December 18, 2013

BY E-MAIL

Appendix 1

The Hon. Kathleen Wynne, MPP
Premier of Ontario
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The Hon. Linda Jeffrey, MPP
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The Hon. Teresa Piruzza, MPP
Minister Responsible for Poverty Reduction
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The Hon. Ted McMeekin, MPP
Minister of Community and Social Services
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Dear Premier Wynne, Minister Jeffrey, Minister Piruzza, and Minister McMeekin:

RE: Community Start-up Benefits

We are writing as a network of concerned organizations to urge you to respond without delay to a critical issue relating to housing and homelessness.

The London Community Advocates Network is comprised of approximately 50 community organizations that assist recipients of Ontario Works and Ontario Disability Support Program benefits in London and Middlesex County. We meet as a group on a quarterly basis with staff from both program areas to provide input into local issues and policies affecting the vulnerable population we serve. In addition, the Network advocates on behalf of low-income Londoners to ensure they are represented vis-à-vis poverty issues at the municipal, provincial and federal levels.

While there are many housing needs across the province, we need your government to commit – as quickly as possible and before the new year – to make permanent \$42 million in “transition funding” for critically important housing and homelessness funds administered by municipalities under the Community Homelessness Prevention Initiative (CHPI).

Municipalities across Ontario are in the midst of planning their budgets for the coming year. Decisions about housing and homelessness funding will be made very soon. Municipalities – and the low income Ontarians who live in them – need your guarantee that you are on their side.

Municipalities have been given the responsibility and flexibility to respond to their communities' housing and homelessness issues through CHPI. But they can't adequately respond to the need in their communities if the funds are not there to do the job.

When the Community Start-Up and Maintenance Benefit (CSUMB) was eliminated from social assistance beginning in January 2013, only half of previously designated funds (\$67 million in 2013-14) were transferred to Consolidated Municipal Service Managers (CMSMs) and District Social Service Administration Boards (DSSABs), using a formula that didn't respond to real time housing needs.

Some municipalities, like London, responded to the loss of CSUMB by creating their own, similar funds to provide direct funding for first and last month's rent, rental and utilities arrears, and other costs that ensure people are able to become housed or stay in their homes. Eligibility criteria and funded costs vary across the province, as do amounts of funding provided. Some municipalities did not create their own locally administered funds, so low income Ontarians in those communities have no source of direct support.

In December 2012, the provincial government responded to community concern by instituting a onetime \$42 million "transition fund" to help municipalities deal with the loss of CSUMB and the move to community-based homelessness prevention. Those funds run out in March 2014.

The experience in London shows the critical need to have the additional \$42 million CSUMB transition funding made permanently available to municipalities. As mentioned above, London created The Housing Stability Fund (the "Fund") to try to cover the loss of CSUMB. To date, the London experience is as follows:

- 1(a) The allocated annual budget for the Fund has been exceeded by demand after a period of only 7 months.
- 1(b) The Fund does not cover all items that CSUMB covered. For example, the Fund does not cover assistance for essential furniture or household appliances. Moreover, the Fund does not cover assistance to address bed bug issues.
- 1(c) The Fund does not assist individuals who need to move out of London or into London.

The loss of assistance for these items and other items is causing hardship for many low-income individuals.

- 2(a) Some of the assistance provided by the Housing Stability Fund takes the form of a loan that is required to be paid back before an individual can access the Fund again. There is a large concern that many individuals (especially those on Ontario Works assistance where rates are well below the poverty line) will not be able to follow their loan management agreements and thus may not have the ability to access the Fund when they face another housing crisis.
- 2(b) It is our understanding that as a result of demand exceeding the annual budget after

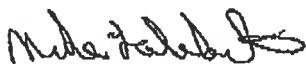
only 7 months, the Fund is continuing to provide support under its current guidelines by using other CHPI funding. However, it is likely that for the upcoming year, the guidelines for the Fund will change, with the result that eligibility criteria will become more restrictive.

- 2(c) Unfortunately, and in spite of the above problems, London's Draft City Budget for 2014 allocates \$628,000 less for homelessness programs, which includes the Housing Stability Fund. This appears to be tied directly to the loss of CSUMB transition funding from the Province.

While the \$42 million will not replace CSUMB, it will go some way towards assisting vulnerable individuals, in London and in other communities, with finding and maintaining housing.

The ripple effects of the devastating loss of CSUMB continue to be felt across the province. Low income Ontarians need your government's guarantee that funds they need to get housing or stay housed will be there when they need them. The least they deserve is to have the additional \$42 million in transition funding made permanently available to municipalities.

Sincerely,



Michael Laliberte
Co-Chair
OW/ODSP Advocates London

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