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TO:	CHAIR AND MEMBERS COMMUNITY SERVICES COMMITTEE MEETING ON OCTOBER 22, 2012
FROM:	LYNNE LIVINGSTONE MANAGING DIRECTOR OF NEIGHBOURHOOD, CHILDREN & FIRE SERVICES
SUBJECT:	COMMUNITY HOMELESSNESS PREVENTION INITIATIVE FUNDING ALLOCATION FOR JANUARY 1, 2013 to MARCH 31, 2014

RECOMMENDATION

That, on the recommendation of the Managing Director of Neighbourhood, Children & Fire Services, the following report **BE RECEIVED** for information purposes.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Community Homelessness Prevention Initiative Homelessness Social Assistance Regulation Amendments (CSC: September 10, 2012)
- Housing Services Act (CSC: December 19, 2011)
- London Community Housing Strategy 2011 Community Update Report (CNC: May 17, 2011)
- London Community Plan on Homelessness (CPSC: November 8, 2010)
- City of London Community Housing Strategy (CPSC: June 21, 2010)

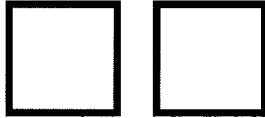
BACKGROUND

At the September 10, 2012 Community Services Committee civic administration was asked to provide an update on the Community Homelessness Prevention Initiative once the funding allocation had been confirmed. The purpose of this report is to provide information regarding this allocation.

In July 2012, the Ministry of Municipal Affairs and Housing (MMAH) announced the Community Homelessness Prevention Initiative (CHPI). This housing and homelessness program consolidation was one of the outcomes from the Provincial-Municipal Fiscal and Service Delivery Review. Consolidating housing and homelessness related programs is a key part of Ontario's Long Term Affordable Housing Strategy and is aimed at transforming the housing system through a Housing and People First Approach. Under this strategy, the Province committed to consolidate the following housing and homelessness related programs:

- Consolidated Homelessness Prevention Program;
- Emergency Energy Fund;
- Emergency Hostel Services;
- Domiciliary Hostel Program; and,
- Provincial Rent Bank.

On September 27, 2012 the Ministry of Municipal Affairs and Housing confirmed the funding allocation for the City of London under the Community Homelessness Prevention Initiative. The allocation is intended to fully capture the current level of funding associated with the five existing homelessness related programs and the scheduled upload of the Emergency Hostel Services portion from Ontario Works. This amount also includes a percentage of a provincial expenditure from the former social assistance Community Start-Up and Maintenance Benefit (CSUMB). The letter from the Ministry of Municipal Affairs and Housing, including the full details of the allocation, is attached as Appendix A.



Effective January 1, 2013, CSUMB will be removed from social assistance. The Province advises that 50% of the provincial expenditure from CSUMB will be re-allocated to the Community Homelessness Prevention Initiative and will be allocated to the City based on a formula of the number of individuals who have a Deep Core Housing Need (households who spend 50% of their gross income on housing). The proportionate share for London and County of Middlesex of Deep Core Housing Need has been calculated as 3.34%.

The vision for the Community Homelessness Prevention Initiative is a better coordinated and integrated service delivery system that is people-centered, outcome-focused and reflects a Housing First Approach to prevent, reduce and address homelessness. Over time, this approach will shift the focus of services from reactive responses to homelessness to more proactive and permanent solutions focused on the following two key outcomes:

1. Individuals experiencing homelessness obtain and retain housing; and
2. Individuals at risk of homelessness remain housed.

Under the Community Homelessness Prevention Initiative, Service Managers will have increased flexibility to use the consolidated funding in any of the following service categories:

- Emergency Shelter Solutions (e.g. emergency shelter and/or safe bed);
- Housing and Related Supports (e.g. permanent housing, rental allowance);
- Services and Supports (e.g. street and housing outreach, food banks, housing search); and
- Homelessness Prevention (e.g. rent support/eviction prevention).

The new approach to provincial homelessness program funding will combine funding from the five existing homelessness related programs into a single funding envelope and will provide greater flexibility to use the funding to address local homelessness related priorities.

All changes are scheduled to take place January 1, 2013. Over the next several months, City staff will be working closely with the London community and the County of Middlesex to determine both the need and expectations of services and programs and the funding model. These efforts will be linked to the London Community Housing Strategy and Community Plan on Homelessness.

CHANGES TO EXISTING PROGRAMS

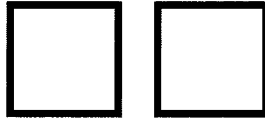
These legislated and program changes taking place by January 1, 2013 provides insufficient time to develop an implementation change plan that fully considers a system response for individuals/families experiencing homelessness or at risk of homelessness, funded agencies and services and the broader community to engage in a fulsome change process. A transitional change plan will be put in place for January 1, 2013 to minimize disruption to individuals and families in need.

Emergency Shelters

In London, three shelter providers operate four emergency shelters providing approximately 500 emergency beds, of which 360 beds are funded by the City under the existing legislated per diem funding. The three year cost average for the period of 2009 to 2011 of emergency shelter expenditures including Personal Needs Allowance (PNA) was \$5,323,875, of which the municipal portion was approximately 20%. The emergency shelters receive the greatest overall total of base funding under the current provincial funding formula.

The London Community Housing Strategy and the Community Plan on Homelessness are both based in a Housing First Approach. The basis of the model is rooted in the philosophy that the solution to homelessness is housing with support. This includes diversion from entering into an emergency shelter and rapid re-housing after entering a shelter. To achieve the outcomes under the new initiative will require that new and/or enhanced solutions, supports and services be put in place to augment our emergency shelter services and achieve a reduction in existing shelter beds and use.

We are currently working with the Board of Directors and senior management from our current per diem funded shelter providers to consider the changes necessary to achieve the outcome of housing stability.



Rent Bank

The Rent Bank program provides loans to individuals at risk of eviction for non-payment of rent. This service is operated under contract with the Salvation Army, Housing Support Services. Existing local rules will need to change to accommodate low income Londoners. Currently, individuals receiving either Ontario Works or Ontario Disability Support Program are not eligible for a rent bank loan. The elimination of Community Start-Up and Maintenance Benefit adds pressure to the system to support individuals on social assistance who are striving to achieve their housing stability and are facing eviction. Home owners, including vulnerable seniors, are not currently eligible for a rent bank loan under existing guidelines.

The new CHPI funding allows more discretion by service managers to develop local rules for their programs.

Funded Agencies through Consolidated Homelessness Prevention Program

A number of agencies have been providing services funded under the current Consolidated Homelessness Prevention Program (CHPP). As a result of the elimination of the existing CHPP funding, agencies with an existing agreement with the City of London have received formal notice terminating their current funding agreements. The uncertainty of future funding causes concern regarding staffing levels and potential disruption of services to individuals experiencing homelessness or at risk of losing their housing. The transition plan and funding will be applied to minimize disruption and focus our efforts to reduce and prevent homelessness and achieve housing stability.

Community Start-Up and Maintenance Benefit

The elimination of the Community Start-Up and Maintenance Benefit by December 31, 2012 will disadvantage individuals receiving Ontario Works or Ontario Disability Support Program. There is some urgency to advise social assistance recipients about these changes, including programs and services available to them after January 1, 2013. Ontario Works London will be providing information to its participants and we are working with the OW/ODSP Community Advocates, the London Homeless Coalition, local media and other group to communicate the changes.

The Community Homelessness Prevention Initiative program can be used to support low income Londoners and individuals in the County of Middlesex including those on Ontario Works and Ontario Disability Support Program.

FINANCIAL IMPACT

The Community Homelessness Prevention Initiative funding allocation for the City of London (and the County of Middlesex) is:

- January 2013 – March 2013 \$1,893,588
- April 2013 – March 2014 (annual) \$7,996,302

The provincial allocation is intended to fully capture the current level of funding associated with the five existing homelessness related programs and the scheduled upload of the Emergency Hostel Services portion from Ontario Works. In addition, this funding is intended to include up to 50% of the provincial expenditure from the former social assistance Community Start-Up and Maintenance Benefit and allocated based on 50% of deep core housing need in each municipality.

Based on these provincial parameters, the fact that we have expended \$4.47M on CSUMB in the past year and our understanding of our local percentage of deep core housing need, the allocation that has been communicated is approximately \$1M lower than what Civic Administration was anticipating.

The CHPI program is currently under development with our community and we will need to tailor the program to the funding available.

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CONCLUSION

We are in a period of transition and change. To prepare for these changes Civic Administration are in a rapid and extensive community engagement process with a wide group of stakeholders to develop service and program outcomes, transition plans and final implementation plans including funding agreements.

Acknowledgments

Anna Lisa Barbon, Manager, Financial and Business Services

Gail Devito, Manager, Accounting and Reporting

SUBMITTED BY:	RECOMMENDED BY:
	
JAN RICHARDSON MANAGER, HOMELESSNESS NEIGHBOURHOOD, CHILDREN & FIRE SERVICES	LYNNE LIVINGSTONE MANAGING DIRECTOR NEIGHBOURHOOD, CHILDREN & FIRE SERVICES

c. Louise Stevens, Director Municipal Housing, City of London

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APPENDIX A

**Ministry of
Municipal Affairs
and Housing**

Assistant Deputy Minister's Office

Housing Division
777 Bay St 16th Flr
Toronto ON M5G 2E5
Telephone: (416) 585-6738
Fax: (416) 585-8900

**Ministère des
Affaires municipales
et du Logement**

Bureau du sous-ministre adjoint

Division du Logement
777, rue Bay 16^e étage
Toronto ON M5G 2E5
Téléphone: (416) 585-6738
Télécopieur: (416) 585-8900



September 27, 2012

**Art Zuidema
City Manager
City of London**

Dear Mr. Zuidema:

I am writing to provide you with the confirmed funding allocation for City of London under the Community Homelessness Prevention Initiative (CHPI).

Following the release of the initial draft allocations provided to help facilitate budget planning, a number of Service Managers raised regarding the information used to calculate their CHPI allocations. Our Ministry has been working with the Ministry of Community and Social Services (MCSS) and Canada Mortgage and Housing Corporation (CMHC) to confirm the accuracy of information used to calculate the initial draft CHPI allocations.

As a result of this review, some of the information used to calculate these allocations have been revised to correct inaccuracies, specifically:

- Incorrect Deep Core Housing Need data was received from CMHC for some Service Managers.
- Anomalies were identified regarding how Service Managers have been submitting their Emergency Hostel Services (EHS) expenditures to MCSS. As a result, the original allocation for some Service Managers did not fully reflect the three-year average for EHS expenditures.
- For some Service Managers, the Domiciliary Hostels allocation did not include the portion of the funding related to Domiciliary Hostels Small Water Works Program.

The overall funding envelope for the CHPI program amounts to approximately \$246 million for 2013-14. I would like to assure you that this amount fully captures the current level of funding associated with the five existing programs and the scheduled upload of the Emergency Hostel Services portion of Ontario Works – consistent with our commitment under the Provincial-Municipal Fiscal and Service Delivery Review. This amount also includes 50 per cent of provincial expenditures from the former Community Start-Up and Maintenance Benefit (CSUMB) and the scheduled upload related to CSUMB.

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A reallocation of the funding envelope in order to address the issues noted above has been completed. This reallocation incorporates the updated information referenced above and is based on the same model that was used for the planning allocations - a combination of current (base) funding and needs-based funding, according to each Service Manager's proportionate share of households in Deep Core Housing Need (a CMHC measure based on Statistics Canada data that identifies households who spend over 50 per cent of their gross income on housing and also have issues related to suitability and adequacy).

Accordingly, the confirmed funding allocation for the City of London is:

- January 2013 – March 2013 CHPI Allocation is \$1,893,588
- April 2013 – March 2014 (annual) CHPI Allocation is \$7,996,302

Detailed information on your funding allocation is attached, as well as a list of the updated Deep Core Housing Need information for all 47 Service Managers in Ontario.

We appreciate your patience and understanding over the past weeks. It is important that each Service Manager's funding allocation is accurate and reliable in order for the allocation model to be applied in a fair and consistent manner now and in the future.

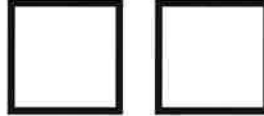
I want to thank you again for your efforts in implementing the new CHPI program and encourage you to contact your local Municipal Service Office (MSO) Team Lead if you have any further questions regarding your funding allocation.

Sincerely,

Janet Hope
Assistant Deputy Minister
Housing Division
Ministry of Municipal Affairs and Housing

cc. Lynne Livingstone, Managing Director
MSO Team Lead

Attachments (2)



**Community Homelessness Prevention Initiative
2013-14 Funding Allocation Details
City of London**

Total Funding Allocation

Total CHPI Funding		2013-14
n	Base Funding (see below)	\$5,431,272
q	Needs-Based Funding (see below)	\$2,565,030
Total Funding Allocation (n+q)		\$7,996,302

Base Funding

This part of the funding is based on a combination of:

- A Service Manager's 2011-12 funding allocations under four of the current programs (Consolidated Homelessness Prevention Program, Emergency Energy Fund, Domiciliary Hostel Program, Provincial Rent Bank); and,
- A Service Manager's three year average (2009, 2010, 2011) of expenditures for Emergency Hostel Services (to account for changes in demand for these services over time).

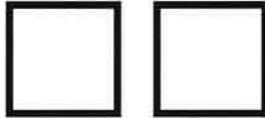
Calculation of Base Funding Allocation:

	Program	2011-12 Funding Allocation
a	Consolidated Homelessness Prevention Program	\$544,213
b	Emergency Energy Fund	\$69,150
c	Domiciliary Hostel Program	\$306,233
d	Provincial Rent Bank	\$203,256
e	Total 4 Programs (a+b+c+d)	\$1,122,852

Emergency Hostel Services (EHS) Program		
f	2009 EHS Provincial Expenditures	\$4,214,100
g	2010 EHS Provincial Expenditures	\$4,305,448
h	2011 EHS Provincial Expenditures	\$4,355,594
i	3 Year Average EHS Expenditures (f+g+h)/3	\$4,291,714

e	Total 4 Programs (based on 2011-12 allocations)	\$1,122,852
i	3 Year Average EHS Expenditures (based on 2009,2010,2011)	\$4,291,714
j	Total (e+i)	\$5,414,566

¹ Due to rounding, some numbers may not sum precisely within tables in this report.



- The 2013-14 base funding envelope for the CHPI program is slightly higher than the overall total of 2011-12 funding for the current four programs plus the three year average of Emergency Hostels Services expenditures.
- A Service Manager's portion of the 2013-14 base funding is calculated based on their proportionate share of 2011-12 funding for the current four programs plus their three year average of Emergency Hostels Services expenditures.

Base Funding		
k	Total 2011-12 funding for 4 programs plus 3 year average for EHS expenditures (all 47 Service Managers)	\$169,259,135
l	Total 2013-14 Base Funding Envelope to be allocated to all 47 Service Managers	\$169,781,362
m	Proportionate Share of overall 2011-12 funding for 4 programs plus 3 year average for EHS expenditures (l/k)	3.20%
n	Base Funding 3.20% of Total (l*m)	\$5,431,272

Needs-Based Funding

- This part of the envelope consists of 50% of provincial CSUMB expenditures (removed from social assistance and reallocated to the consolidated program) and the scheduled upload of Ontario Works financial assistance for both Emergency Hostels and CSUMB.
- The needs-based portion of the allocation is based on a Service Manager's proportionate share of Deep Core Housing Need (as measured by CMHC based on Statistics Canada data, that captures households who spend over 50 per cent of their gross income on housing, and also have issues related to suitability and adequacy).

Calculation of Needs-Based Funding Allocation:

Needs-Based Funding		
o	Total 2013-14 Needs-Based Funding Envelope	\$76,800,197
p	% share of Deep Core Housing Need	3.34%
q	Needs-Based Funding (o*p)	\$2,565,030

Summary of Total Funding Allocation

Total CHPI Funding		2013-14
n	Base Funding	\$5,431,272
q	Needs-Based Funding	\$2,565,030
Total Funding Allocation (n+q)		\$7,996,302

² Due to rounding, some numbers may not sum precisely within tables in this report.