

For Information

DATE: October 19, 2012

REPORT TITLE: **HOUSING AND HOMELESSNESS PREVENTION FUNDING CHANGES**

FROM: Janet Menard, Commissioner of Human Services

**OBJECTIVE**

To provide an update on changes to housing and homelessness funding including the elimination of the Community Start-up and Maintenance Benefit and the introduction of the Community Homelessness Prevention Initiative, both effective January 1, 2013.

**REPORT HIGHLIGHTS**

- The Region of Peel has a long history of investing in housing and homelessness prevention
- Over the years Peel's contribution has outpaced provincial funding, as community need continued to increase
- Effective January 1, 2013, two provincial changes to housing and homelessness-related funding will occur:
  - Ontario-wide funding for the Community Start-Up and Maintenance Benefit (CSUMB) will be removed from social assistance
  - The Community Homelessness Prevention Initiative, the consolidation and block funding of five existing housing and homelessness-related programs, with enhanced funding, will be introduced
- Fifty per cent of the provincial savings from the elimination of the CSUMB benefit has been added to a new Community Homelessness Prevention Initiative (CHPI), to be administered and distributed through the Ministry of Municipal Affairs and Housing (MMAH)
- CHPI funding will allow service managers increased flexibility in funding allocations to align with local priorities
- These provincial changes provide local flexibility for resource allocation, at potential additional risk, but do not close the gap in community need or reduce Peel's significant 100 cent contribution to housing and homelessness prevention programs

**DISCUSSION****1. Background**

The Region of Peel has a long history of investing in housing and homelessness prevention. Supported by a long term Homelessness Partnering Strategy, approved by Council on March 6, 2008, Peel has invested in one family and two emergency shelters, transitional housing for youth (Peel Youth Village) and families (Angela's Place), long term housing for the chronically homeless (St. Leonard's) and supported housing. Additionally, the Peel

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community has been well served by a multi-agency, multi-disciplinary Outreach Team, targeted at the homeless and those at risk of becoming homeless. As well, the Region has supported the maintenance of existing housing through rent banks and utility arrears assistance. In addition to mandatory cost-sharing of provincial housing and homelessness programs (totalling \$1.7 million in 2012) Peel is contributing additional funding of \$13.9 million in 2012 to address the many and complex issues related to homelessness in our communities.

This report details two upcoming changes related to provincially supported programming for housing and homelessness prevention.

As follow-up to the commitments made through the 2006 Provincial-Municipal Fiscal and Service Delivery Review, the province has introduced a revised approach to funding five provincially controlled housing and homelessness programs administered by two provincial ministries. This change recognizes that each community has different and unique needs and that local service providers require flexibility in allocating funds and planning for services.

The Community Homelessness Prevention Initiative (CHPI) is consolidated block funding that aligns housing and homelessness programs while recognizing community differences. This is intended to result in 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 in communities across Ontario. It is intended to promote an evolution from reactive responses to homelessness to more proactive and permanent solutions; an approach that has driven Peel investments for several years. This change, while overall positive, does not address the significant gap in need and Peel's significant 100 cent investment in homelessness prevention.

As part of this realignment of funding, the Community Start-Up and Maintenance Benefit (CSUMB), currently available as a mandatory allowance under Ontario Works (OW) and the Ontario Disability Support Program (ODSP), will be eliminated effective January 1, 2013. Fifty per cent of the provincial investment in CSUMB (\$55 million) has been allocated to the new CHPI program. The elimination of the CSUMB is one of several "expense management measures" announced in the Ontario government 2012 budget.

### **a. Community Homelessness Prevention Initiative (CHPI)**

Currently, the Region's housing and homelessness-related programs are funded through five separate programs each with its own allocation, policies, guidelines and reporting requirements. They include:

- Consolidated Homelessness Prevention Program
- Emergency Energy Fund
- Emergency Hostel Services
- Domiciliary Hostel Program
- Provincial Rent Bank

At present, these five Provincial housing and homelessness-related programs are administered by the Ministry of Community and Social Services (MCSS) or the Ministry of Municipal Affairs and Housing (MMAH). Municipalities are expected to contribute varying degrees of cost-sharing depending on the program (0 to 20 per cent). On January 1, 2013, these five programs will be consolidated into a single funding

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allocation, policy and accountability framework, under CHPI, administered solely by MMAH. There are no municipal cost-sharing requirements attached to the funding.

CHPI's new Service Categories followed by Peel examples are:

- Emergency Shelter Solutions  
(Peel Family Shelter, Cawthra Road Shelter, Wilkinson Road Shelter)
- Housing With Related Supports  
(Genesis Lodge, St. Leonard's Place Peel)
- Other Services and Supports  
(Peel Outreach Program)
- Homelessness Prevention  
(Preventing Homelessness in Peel Program)

Service Managers will be measured against two key outcome-based performance indicators:

- people experiencing homelessness who obtain and retain housing
- people at risk of homelessness who remain housed

Allocations have been determined based on two factors:

- 3 year average of recent expenditures for Emergency Hostel Services and current base funding for four programs (excluding CSUMB)
- share of household's in Deep Core Housing Need across Ontario (as defined by the Canada Mortgage and Housing Corporation - people at risk of becoming homeless who spend over fifty percent of their gross income on shelter and also have issues related to housing suitability and adequacy)

The funding has also changed from "demand driven" (a right within the Ontario Works and ODSP acts) and uncapped for Emergency Hostel Services to a defined funding envelope, to be administered at the discretion of the local service manager.

2013 will serve as a transitional year allowing for the examination and enhancement of current programming and policies related to the consolidated program. Peel's current homelessness and prevention programs already align with the CHPI service categories and can remain 'as is' and still meet the funding and outcome requirements. Through this transition year staff will be working with MMAH and community partners to ensure that Peel's program and 10 Year Housing Plan, which is required under the Long Term Affordable Housing Strategy, are aligned.

### **b. Community Start-Up and Maintenance Benefit (CSUMB)**

As mentioned, CSUMB currently is a mandatory benefit available to both Ontario Works and Ontario Disability Support Program recipients for the purpose of establishing a new residence or to maintain an existing residence. On January 1, 2013, CSUMB will be eliminated and the new CHPI program will need to address this unmet need. This means that both Ontario Works and ODSP clients will be required to apply to municipal service managers for homelessness prevention funding under the new policy. (ODSP estimate that the 2012 funding allocated to CSUMB-related costs in Peel for their clients will be \$1.5 million.)

As only 50 per cent of the provincial savings from the elimination of the CSUMB benefit has been added to the CHPI allocation, many service managers are receiving reduced Provincial funding to prevent and manage homelessness within their jurisdictions. The

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elimination of CSUMB and half of the related provincial funding, has resulted in concerns being raised by clients, anti-poverty advocates and municipal service managers across the province, who have seen their local funding reduced and their responsibilities and risk increased.

**FINANCIAL IMPLICATIONS**

The Region of Peel's 2012 expenditures for CSUMB and the five housing and homelessness programs are expected to be \$25.6 million with a net cost of approximately \$15.6 million. The elimination of the CSUMB and introduction of the CHPI will result in total provincial funding of \$12.1 million in 2013. To ensure that net Regional costs are not negatively impacted, staff are recommending that spending in 2013 not exceed \$27.3 million, resulting in a net cost of approximately \$15.2 million. "CSUMB-related" spending will be controlled within a budget of \$5.8 million, \$1.2 million less than projected for both Ontario Works (\$5.5 million) and ODSP (\$1.5 million) in 2012.

A net reduction of \$449 thousand, to the Region's contribution, will result. However, as outlined in the chart below, Peel's additional contribution remains significant at \$15.2 million. The chart below summarizes the financial impact on the Region.

**Financial Impact of Housing and Homelessness Prevention Funding Changes**

	2012 Budget (\$'000)	2013 Proposed Budget (\$'000)
<b>Expenditures</b>		
Five Existing Homeless Programs	\$ 20,100	
Community Start Up and Maintenance Benefit (CSUMB)	\$ 5,500	
Community Homelessness Prevention Initiative (CHPI)		\$ 27,311
<b>Total Expenditure</b>	<b>\$ 25,600</b>	<b>\$ 27,311</b>
<b>Revenues</b>		
Five Existing Homeless Programs	\$ 5,434	
CSUMB - Provincial Cost Share	\$ 4,554	
Community Homelessness Prevention Initiative (CHPI)		\$ 12,148
<b>Total Revenues</b>	<b>\$ 9,988</b>	<b>\$ 12,148</b>
<b>Regional Contribution</b>	<b>\$ 15,612</b>	<b>\$ 15,163</b>
<b>Net Impact</b>		<b>-\$ 449</b>

**Regional Contribution - Detail**

Legislated	\$ 1,735	
Discretionary	\$ 13,877	\$ 15,163
	<b>\$ 15,612</b>	<b>\$ 15,163</b>

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MMAH has committed to annual increases to the funding allocations (amounts to be determined) to the year 2018.

**CONCLUSION**

Beginning January 1, 2013, the Ministry of Municipal Affairs and Housing (MMAH) will assume financial and administrative responsibility of a new housing and homelessness program (CHPI) that offers municipal service managers increased flexibility to address local needs, through block funding.

However, as the policy and funding shifts from demand-driven to discretionary and capped (with municipalities now also having to support ODSP clients), service managers are taking on additional risk.

To avoid a negative financial impact, staff will reduce overall expenditures by approximately \$1.2 million through changes to policy. This will result in a reduced Peel contribution of \$449,000. While positive in reducing administration and increasing local discretion, the shift from uncapped to capped funding, carries potential risk. As well, the changes do not materially reduce Peel's 100 per cent contribution to homelessness prevention.



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**Approved for Submission:**

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