



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 13-121

TO: Mayor and Members of Council

FROM: Lanie Hurdle, Commissioner, Community Services

RESOURCE STAFF: Sheldon Laidman, Director, Housing Department
Adèle Lafrance, Director, Community and Family Services

DATE OF MEETING: March 5, 2013

SUBJECT: Use of Provincial One-Time Grant Funding to Support the Transition to the Community Homelessness Prevention Initiative

EXECUTIVE SUMMARY:

The City was informed by the Ministry of Community and Social Services (MCSS) on December 27, 2012 that it would be providing one time grant funding to the City in the amount of \$1.113M to support the Service Manager in transitioning to the new consolidated Community Homelessness Prevention Initiative (CHPI).

CHPI funding was announced in July 2012 and was formed by consolidating funding from the following programs: Consolidated Homelessness Prevention Program (CHPP), Emergency Hostels (previously provided as Ontario Works Hostel per diems), Provincial Rent Bank, Emergency Energy Fund, and approximately fifty percent of the provincial savings due to the elimination of the Community Start Up and Maintenance Benefit (CSUMB) from Ontario Works (OW) and Ontario Disability Support Program (ODSP). The City was advised by the Province in July 2012 that it would receive an annualized allocation of \$2,953,134 for fiscal year 2013-14 which was a reduction of \$1.47M from 2011-12 funding levels. This reduction resulted from the reduction of CSUMB and reduced funding for emergency hostels.

Through Report 12-244, Council approved a number of program and budgetary changes to implement the new CHPI program. These changes were incorporated into the approved 2013 operating budget to address homelessness programs for 2013, the approval of a new Municipal Residency Benefit program, revisions to the rent and utility banks and the direction to develop an interim funding model for Emergency Hostels. The County of Frontenac has approved the same program changes, which has resulted in \$58,513 in additional County costs.

March 5, 2013

- Page 2 -

The City received notification on February 1st of the guidelines governing use of the one-time transitional funds. The funds can be allocated to the range of housing and homelessness related services as outlined in the CHPI program guidelines, including up to 10% for administration of the grant itself. All funds must be used by March 31, 2014 at which time an audited financial statement indicating final expenditures is required by the Ministry.

In 2012, the City and County were proactive in dealing with the reduction of CSUMB and emergency hostel funding. Approximately \$1.02M was approved in municipal funding for 2013 emergency hostels, previous CHPP programs and the new Residency Benefit (CSUMB replacement). The 2014 estimated municipal cost for these programs in 2014 is \$829K.

This report seeks direction that the MCSS CHPI one-time transition funds be allocated in the 2013 and 2014 budgets to replace municipal funds already allocated towards homelessness programs and, that in turn, the 2013 municipal contribution to homelessness programs be transferred to a reserve to support the implementation of the homelessness plan from 2013 to 2015. As the CHPI one-time transition funding can be used in the first quarter of 2014, staff are recommending that 25% of the funding be deferred for use in 2014.

RECOMMENDATION:

THAT Council direct the Commissioner, Community Services to submit to the Ministry of Community and Social Services “Exhibit B Outline for Use of Transition to the Community Homelessness Prevention Initiative (CHPI) Funding” to Report 13-121 as the City of Kingston’s required plan; and

THAT Council direct staff to amend the Community and Family Services Department and Housing Department’s 2013 Operating budgets as detailed in Exhibit A of Report 13-121; and

THAT Council approve the deferral of 25% of the \$1,113,869 of the Community Homelessness Prevention Initiative one-time funding to the 2014 Housing Department and Community and Family Services Department Operating budgets. The funds should be allocated to each Department as detailed in Exhibit A of report 13-121; and

THAT a Homelessness Plan Implementation Reserve be established with funding from the Housing Department and Community and Family Services Department Operating budgets as detailed in Exhibit A of Report 13-121.

AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY COMMISSIONER <u>Lanie Hurdle, Commissioner, Community Services</u>
ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER <u>Gerard Hunt, Chief Administrative Officer</u>

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	N/R
Denis Leger, <i>Transportation, Properties & Emergency Services</i>	N/R
Jim Keech, <i>President and CEO, Utilities Kingston</i>	N/R

(N/R indicates consultation not required)

March 5, 2013

- Page 4 -

OPTIONS/DISCUSSION:

In 2011, the Province advised that the Ministry of Municipal Affairs and Housing would undertake a consolidation of several existing homelessness funding streams into one new allocation. This allocation was to be administered by municipalities with additional flexibility provided to address individual local needs. The scope of the consolidation was to include:

- Consolidated Homelessness Prevention Program
- Emergency Energy Fund;
- Emergency Hostel Services;
- Domiciliary Hostel Program (no program active in Kingston and Frontenac); and
- Provincial Rent Bank

The Province further announced in March 2012 changes to cost shared benefits under the ODSP and OW programs including:

- Removal of the Community Start-up and Maintenance Benefit (CSUMB) and home repair benefit from social assistance; and
- Revision of the cost sharing formula for Ontario Works non-health and health-related discretionary benefits

In July 2012, the City was advised it would receive an annualized allocation of \$2,953,134 in funding for the replacement CHPI program. When combined with the impact of capping of OW discretionary benefit cost sharing this resulted in a reduction of \$1.47M in total funding to the Service Manager. In September of 2012, advisement of the final April 2013-March 2014 provincial allocation for Kingston Frontenac included an adjustment in the allocation to \$2,888,222, representing an additional funding reduction of \$64,912.

Through Report 12-244 Council approved a number of program changes to address this reduced funding and the new CHPI requirements while still providing an appropriate level of service:

1. Revisions to the 2012 capped OW discretionary benefit schedule to focus on health related benefits;
2. Creation of a new municipal Discretionary Residency Benefit to replace the previous CSUMB equivalent to 70% of previous funding level for social assistance recipients;
3. Redirection of Home Ownership Program funds to contribute to the municipal Discretionary Residency Benefit;
4. Reallocation of existing provincial Emergency Energy Fund, provincial Rent Bank, municipal Rent Bank, and Rent Deposit Assistance funding to the municipal Discretionary Residency Benefit to provide rent and utility arrears assistance to OW and ODSP clients only;
5. Creation of a new low income bank program to serve low income individuals for their rental and utilities needs.

March 5, 2013

- Page 5 -

Through Report 13-005 an interim Emergency Hostels funding model was established for 2013 to replace the former per diem program.

The Ministry of Community and Social Services announced on December 27, 2012 that in order to support municipalities in transitioning to the new consolidated CHPI that an additional \$42M in one-time grant funding was being made available to Service Managers. Kingston is being allocated \$1.113M in one-time grant funding through this announcement. The City received notification on February 1st of the guidelines governing use of these funds. The funds can be allocated to the range of housing and homelessness related services as outlined in the CHPI program guidelines, including up to 10% for administration of the grant itself. All funds must be used by March 31, 2014 at which time an audited financial statement indicating final expenditures is required by the Ministry. The City was provided with ten (10) days to submit an outline as to how the funds would be used. This timeframe did not allow staff sufficient time to prepare and submit a report to Council. Staff did submit a draft outline to the Ministry in order to meet the deadline which is the same as what being recommended in this report (See Exhibit B).

Significant changes in both funding and programming resulting from CHPI and the reduction in overall provincial funding have been implemented by the Community and Family Services Department and the Housing Department beginning as scheduled on January 1, 2013. Since it is only two months into these modified programs staff are not yet able to properly evaluate the effectiveness of these programming changes.

The Housing Department is currently developing the Provincially mandated 10 Year Homelessness Plan where the project work plan anticipates adoption by Council in July 2013 with implementation of the recommendations in the second half of 2013 and into 2014. This transitional funding is intended to provide funding to Service Managers to aid in the transition to a permanent funding and service level for homelessness programs. As the City proactively contributed municipal funding to help transition to the new homelessness programs, staff are recommending that these municipal funds be redirected to a new Homelessness Plan Implementation Reserve and that the one-time provincial funding be used towards 2013 and 2014 expenditures for the already implemented strategies related to the previous CHPP programs, emergency hostels, and the new Residency Benefit. See Exhibit A for the funding details. The Homelessness Plan Implementation Reserve will be available for the City and affected agencies to transition to the recommended new sustainable homelessness system.

Overview of Recommended Use of Transition Funding

Staff are recommending that the funds be used towards three programs. These are the general programs where the funds will be directed to:

March 5, 2013

- Page 6 -

Previous Consolidated Homelessness Prevention Program (CHPP) services - \$155,000

- The services associated with the former CHPP include drop in centres for persons who are homeless or at risk of becoming homeless, financial assistance banks, support services for shelters, eviction prevention, and a housing help centre.

Emergency Hostel services - \$327,542

- Funding is provided to six emergency hostel shelters operating over 80 beds in total. This funding represents the City and County municipal contributions for emergency hostels in 2013 and the first quarter of 2014.

City of Kingston and County of Frontenac Residency Benefit program - \$631,327

- The Residency Benefit program assists OW and ODSP recipients in the City and County who are homeless, or who are at risk of homelessness with rent deposits or arrears, utility hook ups or arrears, eviction notices, heating fuel, moving costs, storage costs and telephone/ internet hook up

A description of the means by which these funds will be allocated within the budget is described below in the Financial Considerations section.

EXTERNAL CONSULTED:

Marian VanBruinessen, Treasurer, County of Frontenac

EXISTING POLICY/BY LAW:

There are no existing Policies/By-Laws concerning this subject, on record, to date.

NOTICE PROVISIONS:

N/A

ACCESSIBILITY CONSIDERATIONS:

This report is available in an alternative format upon request.

FINANCIAL CONSIDERATIONS:

There are financial implications in this report related to the 2013 and 2014 budgets for both the Housing Department and the Community and Family Services Department. Exhibit A provides an analysis of amendments necessary to each Department's approved 2013 Operating Budgets.

Reimbursement of Local Service Realignment Reserve: The 2013 budget approved \$155,000 to be used from this reserve to provide stabilization funding to Dawn House Women's Shelter. This was a temporary measure until the Homelessness Plan was completed to guide the future direction of the municipally funded shelter system. An

March 5, 2013

- Page 7 -

additional \$63,268 was to be transferred from the LSR to other CHPI programs. This report recommends that all funds (\$218,268) remain in the LSR reserve.

Deferral to 2014 Budget: The transition funding covers the Provincial fiscal year until end of the first quarter in 2014. This report recommends deferring 25% of the total funding to be used as revenue towards 2014 Housing and Community and Family Services Departments' homelessness programs. Exhibit A provides the budget amounts.

County Contribution to Residency Benefit Program and Hostels:

The County's revised cost share for 2013 will be \$25,068 base on the LSR Agreement, a reduction of \$61,654 due to costs being covered by the MCSS one-time transitional funding.

Homelessness Plan Implementation Reserve: \$555,479 of City of Kingston municipal funds will be placed into a new reserve to be used towards implementation of the Homelessness Plan in 2013 and 2014. This will reduce budgetary pressures in 2014 when implementing the Homelessness Plan recommendations.

CONTACTS:

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OTHER CITY OF KINGSTON STAFF CONSULTED:

Lee Campbell, Housing Programs Administrator
Katie Clarke, Manager, Program Delivery
Desiree Kennedy, Director of Financial Services and City Treasurer

EXHIBITS ATTACHED:

Exhibit A - Financial Analysis and Proposed Strategy for Amendments to the CFS and Housing Department Operating Budgets

Exhibit B - Outline for Use of Transition to the Community Homelessness Prevention Initiative (CHPI) Funding to be Provided to Ministry of Community and Social Services

Exhibit A: Financial Analysis and Proposed Strategy for Amendments to Operating Budget						
Table 1: 2013 Approved Operating Budget - Homelessness Programs						
Community & Family Services Program Budget			\$\$	Housing Department Program Budget		\$\$
Provincial CHPI Funding		-949,265		Provincial CHPI Funding		-2,850,689
Recovery from County		-60,519		Recovery from County		-26,203
				Transfer from Reserves		-314,132
CHPI - Residency Benefit		1,618,311				
2013 Net Municipal Expenditure		608,527		CHPI - Previous CHPP Program		1,470,488
				CHPI - Low Income Bank Program		47,970
				CHPI - Residency Benefit		949,265
				Emergency Hostels		825,000
				2013 Net Municipal Expenditure		101,699
Table 2: 2013 Amended Operating Budget						
Community & Family Services Program Budget			\$\$	Housing Department Program Budget		\$\$
Prov MCSS Mitigation Funding		-\$ 434,745		Prov MCSS Transition Funding		-400,657
Provincial CHPI Funding		-\$ 949,265		Provincial CHPI Funding		-2,850,689
Recovery from County		-\$ 23,430		Recovery from County		-1,638
				Transfer from Reserves		-95,864
CHPI - Residency Benefit		\$ 1,618,311				
Municipal Contribution to new Hmlssness Reserve		\$ 397,656		CHPI - Previous CHPP Program		1,470,488
2013 Municipal Expenditure		\$ 608,527		CHPI - Low Income Bank Program		47,970
				CHPI - Residency Benefit		949,265
				Emergency Hostels		825,000
				Municipal Contribution to new Hmlssness Reserve		157,823
				2013 Net Municipal Expenditure		101,699
TOTAL 2013 Municipal Investment in New Municipal Homelessness Plan Implementation Reserve:						555,479
TOTAL Sparing of Previously Approved Contributions from the LSR Reserve:						218,268
Table 3: Contribution to 2014 Operating Budget						
Community & Family Services Program Budget			\$\$	Housing Department Program Budget		\$\$
Q1'14 Prov MCSS Mitigation Funding		-196,582		Q1'14 Prov MCSS Mitigation Funding		-81,886
Total 2013-2014 Municipal Funding Impacts:				Total 2013-2014 MCSS Transitional Funding:		
Contribution to new Homelessness Reserve		555,479		Residency Benefit	\$	631,327
County of Frontenac 2013 Expenditure Reduction		61,655		Previous CHPP	\$	155,000
Sparing of LSR Drawdown		218,268		Emergency Hostel	\$	327,542
Reduction to 2014 Municipal Operating Budgets		278,467				\$ 1,113,869
		1,113,869				

Exhibit B Outline for Use of Transition to the Community Homelessness Prevention Initiative (CHPI) Funding to be Provided to Ministry of Community and Social Services

The City of Kingston, as Service Manager, intends to use the \$1,113,869 to fund the following three initiatives:

1. Previous Consolidated Homelessness Prevention Program (CHPP) services
2. Emergency Hostel services
3. City of Kingston and County of Frontenac Residency Benefit program

The following is a description of each:

1. Previous Consolidated Homelessness Prevention Program (CHPP) services
The services associated with the former CHPP include drop in centres for persons who are homeless or at risk of becoming homeless, financial assistance banks, support services for shelters, eviction prevention, and a housing help centre.
2. Emergency Hostel services
Funding is provided to six emergency hostel shelters operating over 80 beds in total. These shelters each have individual mandates and provide various unique services to the homeless.
3. City of Kingston and County of Frontenac Residency Benefit program
The Residency Benefit program assists OW and ODSP recipients in the City and County who are homeless, or who are at risk of homelessness with rent deposits or arrears, utility hook ups or arrears, eviction notices, heating fuel, moving costs, storage costs and telephone/ internet hook up.

Funding Distribution to Each Program

Program	Funding
Previous CHHP services	\$155,000
Residency Benefit program	\$631,327
Emergency Shelter services	\$327,542
Total	\$1,113,869