Council Direction:
Not applicable

Information:

The Domiciliary Hostel Program is an 80/20 cost shared program with the Province. There has been a surplus in funding for a number of years due to a high vacancy rate within the program. In 2010, the Ministry of Community and Social Services (MCSS) approved the permanent transfer of $579,360 in provincial subsidy from the Domiciliary Hostel Program to the Consolidated Homelessness Prevention Program. As a result, during the 2011 budget process, the City budget for these programs were aligned to reflect the permanent program funding as approved by the Ministry. This resulted in $138,000 of levy funds to remain and be reinvested within the Domiciliary Hostel Program to support the 62 Residential Care Facilities (RCFs).

For 2011, on a pilot basis, the available funds will be divided between the administrative costs for the Operators and programming for the residents so that both parties benefit from the additional funding. The funding may not be used for capital costs or for the delivery of the program such as staffing costs, food or utilities which is covered through the per diem payment.

This funding will be used to off-set administrative costs for the operation of the facilities and programming costs for the residents to improve their quality of life as follows:
• $62,000 to off-set administrative costs which is $1,000 for each of the Residential Care Facilities;

• $76,000 to improve the quality of life for Domiciliary Hostel residents at $100 per resident. The funding must be used to improve accessibility to programming for the residents. Program activities may include, but are not limited to group or individual activities, admission fees to events, recreational supplies and memberships to local recreation centres.

In order to receive the additional funding, each RCF must have a current signed Domiciliary Hostel Service Agreement with the City. There are 97 licensed RCF’s in Hamilton for a total of 3159 licensed beds. 62 of the 97 licensed RCF’s provide a total of 1044 subsidized beds under the Domiciliary Hostel Program.

The Operator will be expected to submit a written proposal by August 1, 2011 indicating how the funds will be utilized for the resident programming envelope. An addendum to the Service Agreement between the RCF Operator and the City will be drawn up for issuance of the funding. To support accountability, the RCF Operator will be expected to submit verification of the expenditures by December 31, 2011. At that time, an assessment and further consultation with the RCF Operators and residents will occur to determine the intent and amount of payments for future years.

The Executive Members of the Ontario Homes for Special Needs Association (OHSNA) were consulted on this matter. Although the members agree with the intent of the funding, they disagree with the condition that an executed Domiciliary Hostel Subsidy Agreement must be in place prior to receiving the funding as they dispute some of the conditions outlined in the Agreement. A report will follow in August of 2011 regarding execution of the Domiciliary Hostel Service Agreements.

Domiciliary Hostel Operators have made requests to City Council and the Community Services Department for increased subsidies, in order to meet the costs of delivering the service. The current per diem payable to the Operators is $47.75 per day. The Ontario Homes for Special Needs Association has made requests to the Province for an increase in the per diem rate since 2007, when it commissioned a review of its members’ cost of operation. The maximum per diem rate is prescribed by the Ministry of Community and Social Services. Any increases above the rate must be covered with 100% municipal funding.

In recognition of the operator’s concerns regarding the per diem rate, City Council has endorsed letters to the Minister of Community and Social Services requesting a review of the per diem rate. The Ministry has noted that since 2005, Domiciliary Hostel per diem rates have increased from $41.20 to $47.75 which is an increase of 16%. The Ministry also notes that for the future, implementation of the new Long Term Housing Strategy will offer more local flexibility to the municipalities in planning for housing and homelessness services on a local level.
Local operators have also advocated for consideration of the cost implications due to the update to Schedule 20 and the RCF Guidelines which were approved by Council on April 14, 2010. In response to City Council's inquiries, a survey of six municipalities was completed by Policy Planning Plus Inc. Report CS10059 Domiciliary Hostel Funding Survey stated that all of the surveyed six municipalities issue the maximum per diem rate. Of the six municipalities, Hamilton had the highest licensing fee and greatest frequency of inspections. Council deferred any funding decisions pending completion of a program review of the Domiciliary Hostel Program.

On September 8, 2011, a report will be presented to the Emergency and Community Services Committee outlining the findings and recommendations of a Domiciliary Hostel Program Review. Housing and Homelessness Division contracted with SHS Consulting for completion of the review. The purpose of the review is to assess the current service delivery model and associated funding. The report will address in detail the adequacy of the current funding model and will offer short and long term recommendations for Council's consideration.