SUBJECT: EMERGENCY SHELTERS FUNDING POTENTIAL PRESSURE (ECS08026) (City Wide)

RECOMMENDATION:

(a) That the General Manager of Community Services be authorized and directed to use funding from the Consolidated Homelessness Prevention Program for the provision of personal support services at the Good Shepherd Centres for Notre Dame House, Somerville House and Mary’s Place, conditional on confirmation of the 2008/9 Homelessness Service Contract,

(b) That the General Manager of Community Services be authorized and directed to enter into a Domiciliary Hostel Subsidy Agreement for Somerville House for ten (10) beds effective September 1, 2008 in a form satisfactory to the City Solicitor,

(c) That staff be directed to report back to the Emergency and Community Services Committee respecting the funding level of the 2008/9 Homelessness Service Contract, once it has been negotiated with the Ministry of Community and Social Services, in order to identify potential pressures that may result from continuing the funding of Good Shepherd Centres personal support services, and

(d) That Council authorize the Mayor of Hamilton to write a letter to the Minister of Community and Social Services requesting an extension of the existing Hostels to Homes Pilot (H2HP) program to allow for continued support of the 80 participants currently housed and an expansion of the Pilot to allow an equal number if not more individuals to be housed and supported.

Joe-Anne Priel
General Manager,
Community Services Department
EXECUTIVE SUMMARY:

There is a long outstanding issue regarding the funding of the emergency shelter system in the Province of Ontario. Funding is based on a per diem rate which essentially covers the cost of board and lodging and minimal supervision.

Homelessness is a complex issue and experience confirms that a significant number of individuals experiencing homelessness require a high level of personal support services to help them move from emergency shelters to more stable, long term housing. Unfortunately, personal support services are significantly under funded. Of particular concern is the annual funding pressure at the Good Shepherd Centres which staff have previously identified to Council (Report SSC06003). Staff have worked with the Good Shepherd Centres to resolve the annual funding pressures which total $777,580. It is clear that Notre Dame House and Mary’s Place provide emergency shelter services, whereas, Somerville does not. Staff therefore is recommending that Somerville House be funded as a domiciliary hostel program because it is a supported transitional housing program. This will reduce our pressure for personal support services during the period September 1, 2008 to December 31, 2008 by $85,733 leaving a total potential pressure of $691,847.

In recognition of this ongoing funding shortfall, staff together with the existing emergency shelter service providers, have initiated a “Blueprint for Homelessness”. The aim of the Blueprint is to develop and assess options that will ensure that emergency shelter services are available and that the emergency shelter system can help people transition into permanent housing. A key outcome of the Blueprint will be recommendations on a sustainable funding formula for emergency shelters and the personal support services needed to help people experiencing homelessness. Pending the outcome of the Blueprint, the Community Services Department is working to find ways to maintain the existing system and supports.

Staff have also worked closely with other municipalities, the Ontario Municipal Social Services Association and the Province to advocate for a new funding model for emergency shelters. Although much progress has been made, there is much work to be done in 2008.

The success of the Hostels to Homes Pilot has affirmed that with flexibility in funding, municipalities can assist individuals who have been chronically homeless to access and maintain stable, affordable housing. This experience is occurring in other pilot communities and for that reason staff recommends the Mayor of Hamilton write a letter to the Minister of Community and Social Services (MCSS) requesting an extension of the existing Hostels to Homes Pilot (H2HP) program to allow for continued support of the 80 participants currently housed and an expansion of the Pilot to allow an equal number if not more individuals to be housed and supported.

Staff have asked MCSS staff to reallocate a $400,000 positive funding variance within the 2007/8 Homelessness Service Contract, to the 2008/9 Homelessness Service Contract to assist with offsetting the funding pressure associated with providing the existing personal support. Staff will report back to Committee the results of the 2008/9
Homelessness Service Contract and the recommendations of the Blueprint which are both expected in June.

**BACKGROUND:**

In March 2006, staff brought forward Report SSC06003, which outlined funding pressures within the emergency shelter program. These pressures resulted from changes in legislation under the *Ontario Works Act, 1997*.

Under Council direction, the City Of Hamilton funded the personal support services provided by the Good Shepherd Centres at Mary’s Place, Notre Dame House and Somerville House through the Social Services Initiatives Fund for the period October 1, 2006 and September 30, 2007.

The Province allocated $260,000 from the Homelessness Service Contract, to support emergency funding pressures at Wesley Urban Ministries and personal support services at Good Shepherd Centres for the period, October 1, 2007 to December 31, 2007.

Staff, with the support of the MCSS, has initiated a “Blueprint for Homelessness” in collaboration with the existing emergency shelter providers. The aim of the Blueprint is to develop and assess options that will ensure that emergency shelter services are available and that the emergency shelter system can help people transition into permanent housing. A key outcome of the Blueprint which is expected to conclude the end of June 2008, will be recommendations on a sustainable funding formula for emergency shelters and the supports necessary to help people experiencing homelessness.

In 2007, there was a $400,000 positive variance in the Homelessness Service Contract, which staff have requested be reallocated to the 2008 Consolidated Homelessness Prevention Project. Pending the outcome of the Blueprint, staff have requested that MCSS consider allowing flexibility within the 2008/9 Homelessness Service contract to approve the City’s funding of the existing pressures while the Blueprint is completed and recommendations on funding come forward. To date, MCSS has been very supportive of the work being done locally, to develop and implement our strategic plan to address homelessness. It is recognized that the emergency shelter system and the development of a comprehensive systems approach is critical to the vision that Hamilton be a **community where everyone has a home**.

This update has been prepared to request Council approval that staff fund the personal support services from the 2008/9 Homelessness Service contract pending the outcome of the Blueprint and further negotiations with the Province on a new funding formula for emergency hostel services.

Staff have and continue to work with the Good Shepherd Centres to resolve these funding pressures. It is clear that Notre Dame House and Mary’s Place are emergency shelters, however, Somerville is not. Staff are recommending that Somerville House be funded as a domiciliary hostel program because it is a supported transitional housing
program, providing long term supported housing for women with mental health issues. The Good Shepherd Centres will realize a decrease in funding for personal support services for Somerville in the amount of $85,733 for the period, September 1, 2008 to December 31, 2008. Staff will work with them to pursue alternate funding for those supports.

**ANALYSIS/RATIONALE:**

Since 2004, the City Of Hamilton, and other municipalities have been advocating a change in the funding formula for emergency shelters. The Ontario Municipal Social Services Association struck a task force and made recommendations on the funding of emergency shelters in 2005. The Province has not formally responded to those recommendations specifically. However, it is apparent that the Province has heard Municipalities request for flexibility in how services are funded. In 2006, they consolidated the homelessness funding into one rather than five streams and introduced an outcomes based funding approach.

In 2007, they introduced the Hostels to Homes Pilots in six municipalities, allowing flexibility in the way support services could be funded. As anticipated, people experiencing chronic homelessness, are being moved into appropriate, affordable housing with the supports necessary to sustain that housing. Staff have supported the continued funding these personal support services because they are so critical.

**ALTERNATIVES FOR CONSIDERATION:**

Council can decide that the Personal Support Services at Notre Dame House and Mary’s Place do not warrant funding. Discontinuation of funding could result in a loss of many critical personal support services for vulnerable women and youth. The loss of services would include the meal program, school programs, shower and laundry facilities for 80 street youth each month, and aftercare/counselling for more than 170 women each month who are either homeless or at risk for homelessness. This will significantly increase the visibility of homelessness on the streets of Hamilton.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

The monies totalling $400,000 that staff believes will be reallocated to the 2008/9 Homelessness Service Contract are 100 percent Provincial dollars and should be in place by June 2008.

The annual cost of Good Shepherd personal support services total $777,580. Moving Somerville House from the Emergency Hostel Program to the Domiciliary Hostel program will result in a marginal variance in the emergency hostel program. The Good Shepherd Centres will receive a per diem rate of $45.90. The funding pressure for personal support services will be decreased by $85,733, for the period September 1, 2008 to December 31, 2008. The change to a Domiciliary Hostel program will also result in licensing and administration fees being charged to Good Shepherd which they currently do not pay. This leaves a potential pressure totalling $691,847, should the
Province not approve the reallocation of the 2007/8 variance totalling $400,000 or not continue to allow staff the flexibility to use budgeted funds to address these on going service support requirements.

**Staffing:**

There are no staffing implications associated with Report ECS08026.

**Legal:**

There are no legal implications associated with Report ECS08026.

**POLICIES AFFECTING PROPOSAL:**

N/A

**RELEVANT CONSULTATION:**

Staff consulted with the Regional Office of the Ministry of Community and Social Services regarding the Homelessness Service Contract, and Corporate Services Department, Budget and Finance Division, and the Public Health Department.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

- Community Well-Being is enhanced. [ ] Yes [ ] No
- Environmental Well-Being is enhanced. [ ] Yes [ ] No
- Economic Well-Being is enhanced. [ ] Yes [ ] No

Does the option you are recommending create value across all three bottom lines? [ ] Yes [ ] No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? [ ] Yes [ ] No