Council Direction:

At its meeting of December 19, 2006 (Report 06-023, Item (d)(iv)), Committee of the Whole directed staff to report back, to the Emergency & Community Services Committee, on how well the Utility Assistance Program is working, how many residents are utilizing the program and how much has been funded for this program to-date.

Information:

History:

The Hamilton Utilities Arrears Program was created in 2003 to assist all low income residents of Hamilton with utility arrears, disconnection and security deposits. This program has undergone many changes over the past years to find efficiencies and to maximize funding. The program continues to be reviewed and revised, based on legislation changes, client needs, policies with the utility companies and the Ontario Energy Board.

Who Can Access the Program?

The Utilities Arrears program can be accessed by the following individuals experiencing issues related to utilities arrears:

- Ontario Works(OW) Participants
- Ontario Disability Support Program (ODSP) Recipients
- Low Income Residents (working poor, seniors)
Ontario Works case managers issue this benefit for clients in receipt of OW, while staff from the Special Supports Division in the Community Services Department administers the Program for those who are in receipt of ODSP. Low-income citizens can access assistance through Share the Warmth; with whom the City has a contract to deliver this program.

Program Funding:

There were three contributors to this program in 2006:

1. **The City of Hamilton Water/Waste-Water Fund**: $500,000 was approved for the Utilities Arrears Program from the Water/Waste-Water budget. Of this total, $350,000 is used toward the municipal share (the 20% cost sharing for required for discretionary funds) for OW/ODSP and $150,000 for Low Income single or couples.

2. **Ministry of Community and Social Services** provides 80% cost sharing for discretionary funds for OW/ODSP based on the 20% municipal shared provided by the Water/Waste-Water funding. With the $350,000 available as the municipal share, the total available from the Ministry could be up to $1,400,000.

3. **Ministry of Community & Social Services Provincial Energy Emergency Fund (EEF)**: $84,080 was approved for 2005/06. For the fiscal year 2006/07, the EEF allocation was $155,550, which included a one-time increase of $71,470. The EEF Subsidy available for 2006 calendar year was $137,683, for the 2007 calendar year, $101,947 is available. 10% of this amount may be utilized for administration costs.

4. **Total Potentially Available for 2006 = up $1,905,550.**

Program Criteria:

Utilities Arrears Assistance includes funding for hydro arrears, fuel arrears (gas, oil, propane, etc.), water arrears, utilities reconnections and/or utilities security deposits. In order to maximize the funds in the program, the following assistance caps are applied to all target groups (OW/ODSP and low-income):

- Singles and couples with no children may be eligible for a maximum of $799.00 within a 12 month period.
- Families with children may be eligible for a maximum of $1500.00 within a 12 month period.

These program caps are consistent with program maximums for Community Start Up and Maintenance Benefits rates set by the Province, but administered by City staff through the Benefit and Eligibility Division of the Community Services Department.
In addition to these program caps, staff also tracks the number of times assistance is requested by OW/ODSP clients. For example, if a payment for utility arrears has previously been issued, the participant is to provide verification that they have made reasonable attempts to pay their bills since that time. Case managers will work with clients to assist in identifying ways that their utility bills can be better managed (i.e. instalment plans, equal billing, etc) or reduced (i.e. referrals for conservation measures). If the participant has made reasonable attempts to pay their bills or to lower their accommodation costs, the participant is eligible to receive additional utilities arrears benefits; providing the amount required does not exceed the program maximums outlined above.

If the participant has not made reasonable attempts to pay their bills, they will not be eligible for any additional funds through the Utility Assistance Program. In extreme cases, the Community Start-Up and Maintenance Benefit may be accessed for the client.

Share the Warmth has adopted similar rates and they issue assistance one-time in a heating season. If extenuating circumstances exist, the organization contacts the City of Hamilton for authorization to provide additional assistance.

2006 Program Utilization:

The following chart exhibits the total gross expenditures and the number of clients assisted in 2006 from all sources of funding:

**Table 1: Number of Clients by Target Group and Type of Assistance**

<table>
<thead>
<tr>
<th>Client</th>
<th># of Households</th>
<th>Heat</th>
<th>Hydro</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>OW</td>
<td>1319</td>
<td>250,653</td>
<td>408,966</td>
<td>609,640</td>
</tr>
<tr>
<td>ODSP</td>
<td>106</td>
<td></td>
<td></td>
<td>49,979</td>
</tr>
<tr>
<td>Low Income</td>
<td>518</td>
<td>91,372</td>
<td>108,528</td>
<td>199,900</td>
</tr>
<tr>
<td>Total</td>
<td>1943</td>
<td><strong>$342,025</strong></td>
<td><strong>$517,494</strong></td>
<td><strong>$859,519</strong></td>
</tr>
</tbody>
</table>

In addition to client benefits issued for utility arrears, $19,990 was paid to Share the Warmth for administrative costs of the Utility Arrears Program for Hamilton and $13,482 for internal administrative costs.

When the City of Hamilton initiated the Utilities Arrears Program, concern was raised

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1 Note: Hamilton’s local practice is to issue discretionary benefits for utility arrears prior to considering mandatory benefits of Community Start-Up and Maintenance Benefits. Using the Utilities Arrears Program first allows CSUMB to be retained for future housing or start up issues.

2 There are typically two heating “seasons” per year, January to April, and October to December.

3 Although the funding provided for this program is from the Water/Waste-Water budget, because Hydro bills also include fees for water/waste-water, we are unable to extract accurate figures for the amount of assistance provided to assist with water bills.
with respect to the proportion of financial assistance provided to clients that actually covered security deposits, as opposed to outstanding utilities usage. Past legislation allowed the utilities to return the amount paid as a security deposit to the account holder under certain conditions\(^4\). Unfortunately, previous legislation precluded third party payers of security deposits, like the City of Hamilton, to have security deposits returned when the account holder achieved the conditions required by the utility. The Ontario Energy Board made changes to this policy in 2006 with respect to return of security deposits at Horizon Utilities Inc. As a result, a total of $9,670 was refunded by Horizon’s Utilities for security deposits back to the City of Hamilton’s Utilities Arrears Program.

Program Utilization History 2004-2006:

The following chart tracks the usage of the program over the last three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1920</td>
<td>$794,385</td>
</tr>
<tr>
<td>2005</td>
<td>1751</td>
<td>$667,675</td>
</tr>
<tr>
<td>2006</td>
<td>1943</td>
<td>$859,519</td>
</tr>
</tbody>
</table>

Factors Affecting the Utilities Arrears Program’s Funding & Utilization:

Many factors have contributed to the variance in expenditures:

1. **NCB Shelter Enhancement Fund for OW Participants:** This fund was started in January 2005 to assist OW participants with high accommodation costs\(^5\). Those eligible for funding under this program could use the extra financial assistance for accommodation to cover utility costs. This program closed in July 2006 when funding was exhausted. The 2006 NCB Reinvestment strategy did not allocate any funding to this program for 2007 due to a shift in their strategy to returning funds more directly to clients from whom they have been “clawed back”. As a result, clients who may have used this fund to assist with utilities must now access the Utilities Arrears Program.

2. **Change in the policy for Community Start Up and Maintenance Benefits (CSUMB):** When the Utilities Arrears Program began in 2003, client assistance for utilities was not an eligible item for consideration as part of the Community Start Up Benefit. In December 2004, MCSS revised the former Community Start Up Benefit (CSUB) policy to allow for the issuance of a mandatory benefit for utility arrears, reconnection and security deposits (now referred to as Community Start Up and Maintenance Benefit-CSUMB). In the case of OW clients, this has allowed for funds to be maximized so that utilities arrears assistance can be provided from both the

\(^4\) These conditions varied by utility but often included a period of time of being a customer of good standing (i.e. no outstanding account).

\(^5\) Eligible clients received additional shelter assistance for a 6 month period if accommodation costs are 70% of their entitlement.
Utilities Arrears Program and CSUMB. ODSP recipients access this fund first, prior to accessing the Discretionary Utilities Arrears Program. As a result, the number of clients accessing the Utilities Arrears Program decreased in 2004.

1. **Ontario Home Electricity Relief Program:** The Ontario Ministry of Finance administered the Ontario Home Electricity Relief Program in October 2006. This was a one-time payment, based on family type and net income, which was issued to families and singles with low incomes. Single people received up to $60, and families received up to $120. This one-time financial assistance may have also positively impacted the total expenditures for the Utilities Arrears Program.

**Utilities Arrears Coordinating Group:**

The Utilities Arrears Program is guided and informed by the Utilities Arrears Coordinating Group. The purpose of this group is to continually review protocols, ensure equity and improve communications. There was an addition to the membership to include a property inspector who is responsible for the Vital Services By-Law. This addition provides for a wrap-around approach to Utility Arrears challenges for all citizens of Hamilton (owners and renters).

Key highlights from the work of this group include:

- Utilities Arrears Coordination Working Group held four (4) meetings in 2006.
- Horizons Utilities granted a **72-hour hold** on accounts being reviewed for the Utilities Arrears Program in order for the OW/ODSP office to complete payment review process.
- Case Managers started to request that the utilities be connected during regular hours. This will lower the cost of the reconnection fees (by $100 with hydro).
- Improved communications with Horizon’s Utilities, as once a Form 3 or a consent has been authorized it stays on file with HUC so additional consents are not required.
- Introduction of Hamilton Sustainable Housing Initiative, which was a free energy saving program delivered by Green Venture. The program was funded by Horizon Utilities and Union Gas. It was available for all people in receipt of Ontario Works/Ontario Disability or to low income persons residing in selected neighbourhoods.
- Information on the Utilities Arrears Program was communicated through the OW Newsletter, Voice, to OW Participants in June 2006.