



**STAFF REPORT
ACTION REQUIRED**

Federal Homelessness Funding: Authority to Negotiate a New Federal Agreement and Manage the Transition to the New Program

Date:	February 5, 2007
To:	Community Development and Recreation
From:	Shelter, Support and Housing Administration
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to obtain the authority required for the General Manager, Shelter, Support and Housing Administration to enter into a new contribution agreement with the federal government for funding under the Homelessness Partnering Strategy (HPS), a two year program, effective April 1, 2007. Included for approval is a high level plan outlining the City’s objectives and priorities for investing the funds. It also seeks the authority needed to manage a smooth transition from the current federal homelessness program, Supporting Communities Partnership Initiative (SCPI) to the new HPS program. And finally, authority is being sought for the General Manager, Shelter, Support and Housing Administration to approve projects in line with the objectives of the current SCPI Community Plan, if the SCPI program is extended beyond March 31, 2007.

The City is managing the transition between the old and new federal programs, despite having few details about the new program, the uncertain timing for the new contract and not knowing whether the current SCPI program will be extended. The report provides a new Plan for investing federal funds and transition strategies to accommodate the uncertain circumstances.

RECOMMENDATIONS

The General Manager, Shelter, Support and Housing Administration recommends that:

1. The General Manager, Shelter, Support and Housing Administration, in consultation with the City Solicitor, be authorized to enter into a contribution agreement with ServiceCanada or related entity for funding under the new Homelessness Partnering Strategy, and that the objectives, priorities and allocation levels, substantially as outlined in the report and summarized in Appendix A, form the basis for the agreement;
2. Once the contribution agreement with ServiceCanada or related entity is in place, the General Manager, Shelter, Support and Housing Administration be authorized to enter into agreements with other City divisions, project sponsor agencies, and/or private expertise to deliver projects in line with the terms and conditions of the federal agreement, other than new housing development projects, which will be approved through the Affordable Housing Committee and Council;
3. Once the contribution agreement with ServiceCanada or related entity is in place, the General Manager, Shelter, Support and Housing Administration be authorized to adjust funding between objectives as may be required to ensure maximum and appropriate use of available federal funds and to reflect input from community consultation, new Council directions/priorities or other changes which might occur in the future and result in adjustments being required;
4. Any project currently funded under the Supporting Communities Partnership Initiative (SCPI) program that is not completed by March 31, 2007, be approved as a priority for funding under the Homelessness Partnering Strategy (HPS);
5. In light of the results of the City's 2006 Street Needs Assessment, indicating that 16% of the homeless population is Aboriginal, that 20% (net of administration) of the City's HPS allocation be directed to projects that address Aboriginal homelessness;
6. The General Manager, Shelter, Support and Housing Administration work directly with the Aboriginal community to develop priorities for the funds under the HPS program, identified in Recommendation 5;
7. In the event that the current SCPI funds are not extended beyond March 31, 2007 by the last day of the City Council meeting in March 2007, the General Manager, Shelter, Support and Housing Administration be authorized to fund the existing SCPI funded service related projects delivered by community agencies, as outlined in Appendix B, for the 3 month period April 1 through June 30, 2007 at a cost of up to \$1.6 million from the Social Housing Stabilization Reserve Fund;

8. If the Social Housing Stabilization Reserve Fund is utilised as recommended above, that the General Manager, Shelter, Support and Housing Administration seek reimbursement for this expenditure from the federal government, under the new Homelessness Partnering Strategy with funds returned to source;
9. The General Manager, Shelter, Support and Housing Administration report directly to Council on any further financial implications relating to the transition between the SCPI and HPS programs, as required;
10. In the event that the current SCPI funding is extended beyond March 31, 2007, the General Manager, Shelter, Support and Housing Administration be authorized to approve allocations of any unexpended SCPI funding to projects and initiatives that are in line with the objectives of the SCPI Community Plan, and to enter into any necessary agreements to give effect thereto;
11. The General Manager, Shelter, Support and Housing Administration report to Budget Committee on the financial implications of the Homelessness Partnering Strategy and possible extension of the current SCPI program once details are known; and
12. That a copy of this report be forwarded to the February 23, 2007 meeting of Budget Committee for its immediate consideration and transmittal of comments to the March 5 and 6, Council Meeting for consideration with this item.

Implementation Points

Recommendations 1 through 6 are necessary in order to move forward quickly to get a contribution agreement in place by April 1, 2007 and begin investing funds, since the two year timeline of this new program will be challenging especially for developing new capital projects. It is important to point out that, although this report outlines a high level plan for investing the funding, consultations will occur over the spring and summer to fine tune the plan. A revised plan, as required by the federal government, will be prepared by the fall of 2007.

Community agencies will have to wind down their service related projects and lay off experienced staff if there is no contingency in place to bridge between the SCPI and HPS programs. Given that a priority of the new program is direct service it would be extremely detrimental to service provision to lose the expertise and infrastructure developed over the past 6 or 7 years under the SCPI program, particularly because of the short two year timeframe of the new program. To manage this situation, recommendations 7 and 8 are contingent on whether the federal government extends the SCPI program beyond March 31, 2007. If the program is extended in a timely fashion, these recommendations are not required and current SCPI funds will be used to extend current service related projects. Recommendation 10 is also contingent on receiving an administrative extension to the SCPI program and enables the investment of any unexpended SCPI funds over the final few months of the program, on activities in line with SCPI objectives.

Financial Impact

Entering into a contribution agreement with the federal government to administer the Homeless Partnering Strategy (HPS) allocation will have an impact on the 2007 budget. The impact will be dependent on the amount of the, yet unknown, allocation and on when the contract with the federal government is signed, as that will impact how much time remains in 2007 to expend the funds. If the City's allocation is similar to previous years, a total of approximately \$36 M is anticipated, spread over the two years. All eligible HPS expenditures will be reimbursed by the federal government at 100%, on a claims basis. Once the allocation and details are known and the contract is in place, the General Manager, Shelter, Support and Housing Administration will report to Budget Committee on the financial implications including impacts on the 2007 Capital and Operating Budgets.

If the SCPI program is extended in a timely fashion beyond March 31, 2007, the additional draw of \$1.6 million from the Social Housing Stabilization Reserve Fund will not be required to maintain the projects from April 1, 2007 to June 30, 2007. If the program is extended, the expenditures will be funded from SCPI and continue into the second and possibly third quarters of 2007.

Recommendation 7 represents a contingency plan if SCPI is not extended in a timely fashion beyond March 31, 2007. Thus, funds of \$1.6 million from the Social Housing Stabilization Reserve Fund will be returned to source pending confirmation of the extension of the existing SCPI program and/or eligibility under the HPS program.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The need for this report has arisen because the federal government announced a new homelessness program in December 2006, which is to take effect on April 1, 2007. Council approval is required to enter into an agreement with the federal government to accept the terms and conditions of the program and then administer the funding on behalf of the federal government.

ISSUE BACKGROUND

Success of the SCPI Program

Since December 2000 the City of Toronto has administered federal funding for housing and homelessness under the Supporting Communities Partnership Initiative (SCPI). A total of \$123.45 million has been allocated to the City over the past six years to invest in projects to reduce and alleviate homelessness. Much has been accomplished:

- over 1150 units of transitional and supportive housing have been created;

- close to 400 new shelter beds were developed;
- over 250 small but critical investments have been made in community facilities through renovations, repairs and acquisitions;
- over 70 projects have provided a wide range of direct service to homeless and at risk people including housing help, housing follow-up, pre-employment and employment supports, and programs and support for newcomers;
- over 75 projects have provided invaluable resources to strengthen and improve direct service delivery and system capacity through training initiatives, research and needs assessments, the development of on-line supports and networks and the implementation of focused management training.

The City's Streets to Homes strategy, including both city and community based projects which support the goals of the initiative, has been almost exclusively funded through SCPI. Through Streets to Homes outreach projects alone, over 1000 people have been housed directly from the street in less than two years. SCPI funded projects have assisted over 6000 people to maintain their housing. More than 10,000 people annually have been assisted to obtain critical identification documents, needed to access housing, employment, social assistance and health services. Through 14 SCPI funded employment related projects, over 1000 people have been assisted to either find or maintain employment, over 3000 people have been engaged in skills development and job searching activities and over 600 have completed educational programs such as literacy, computer skills or their General Education Diploma (GED).

Community Efforts for Continued Federal Funding

The SCPI program is scheduled to end as of March 31, 2007. Throughout the summer and fall of 2006 the City worked closely with the community to advocate for all previously announced funding to be allocated to the City and for an extension of the federal funding beyond March 2007. The Mayor was a key advocate as was the Federation of Canadian Municipalities. These efforts were successful in securing Toronto's full SCPI allocation in October 2006 and in December the federal government announced that a new program, the Homelessness Partnering Strategy would replace the SCPI program as of April 1, 2007, for a two year period.

This report outlines the recommended approach to moving forward with the new program, transition issues in moving between the SCPI and HPS programs which must be addressed by the City, and provides an update on the status of the current SCPI program, as it winds down.

COMMENTS

The New Federal Program

The new federal program, Homelessness Partnering Strategy (HPS) was announced on December 19, 2006. A \$270 million dollar national commitment was made to the HPS over a two year period, beginning on April 1, 2007 and is described as improving upon the SCPI program. The new program "will encourage partnerships among all

stakeholders, enhance long-term sustainability for the homeless and achieve concrete, meaningful and lasting results for Canadians in need. The HPS will require that funding be specifically targeted at the development of transitional and supportive housing and will provide greater access to support networks appropriate to individual needs of homeless people (such as skills training, health and substance abuse treatment) to help them attain self-sufficiency and full participation in Canadian society.” The program will continue to be administered across the country at the local level.

On December 22nd, the General Manager met with federal staff to get more details. Toronto’s allocation will not be confirmed for some time, but is expected to be of a similar magnitude. Despite the lack of details, the federal staff stated that they are committed to getting a contribution agreement in place by April 1, 2007 and clarified the fact that an updated Community Plan would not be expected until the fall of 2007, thus providing time for community consultation after the agreement is in place. However, in order to finalize a contribution agreement as quickly as possible, a high level plan for investing the funds will be required.

Council approval is required to negotiate and enter into an agreement with ServiceCanada or related entity, based on a high level plan for investing the funds. Recommendation 1 requests that approval. Council approval of Recommendations 2 through 6 enables implementation of the Plan and adjustments over time to the Plan, once the agreement is in place.

The New Plan

The SCPI Community Plan was approved in September 2003. Since then, the City undertook its first ever Street Needs Assessment on April 19, 2006. The assessment provided valuable information on people who are homeless and their use and need for a range of services. These results are informing City direction in addressing its goal of ending homelessness and have influenced the plan being proposed below for the new federal program funds.

The Street Needs Assessment indicated that a disproportionate number of Aboriginal people were among the City’s homeless. Fully 26% of the street homeless were Aboriginal and 16 % of the homeless people overall. In addition, Aboriginal people were homeless longer on average than non-Aboriginal people – 5.3 years as compared to 3.1 years. While investing in Aboriginal housing and services has been a priority in SCPI Community Plans since 2000, even stronger efforts are required to ensure that progress is made on this issue. To that end, it is recommended that 20% of the HPS allocation (net of administration) be directed towards projects that address Aboriginal homelessness. The priorities and specific actions will have to be developed with the Aboriginal community as soon as possible, given the two year time frame for the HPS funding. Recommendation 6 authorizes the General Manager to engage in that process.

Other key results from the Street Needs Assessment are reflected in the new Plan. The Street Needs Assessment confirmed very clearly that people want to be housed. Almost 9 out of 10 people surveyed stated that they want permanent housing. They need help

finding affordable units, completing applications and getting identification. In response, the new Plan places an even greater emphasis on getting people housed and providing the needed supports to help ensure housing is maintained. It also acknowledges the need for partnerships with other key sectors to improve access to housing and to improve the support systems that keep people housed.

The Street Needs Assessment also confirmed the important interplay between homelessness and the health care system. Of those surveyed, 51% had used a health clinic, 50% had used a hospital and 19% had used an ambulance in the past six months. People who had been homeless the longest identified harm reduction, detox, drug/alcohol treatment, mental health and health services as services that would help them to achieve the goal of being housed. The new Plan therefore has identified two specific priorities under two objectives that speak to the importance of partnerships with the health system in both housing people and maintaining their housing.

The key role that drop-in centres play in assisting homeless people was clearly identified through the Assessment. The drop-in service system is currently under review to determine how it best can support the City’s goal of ending homelessness and the key directions of getting people housed and maintaining their housing. HPS funds will be used to increase the potential of drop-in centres in this regard.

The following chart outlines the objectives and priorities and a proposed percentage allocation for each objective for the new HPS program. Once the actual allocation is known, the 20% allocation for Aboriginal projects will be factored in. The contribution agreement would be negotiated on this basis.

**Homelessness Partnering Strategy: Plan for Investment
2007 - 2009**

Objectives	Priorities	Proposed Allocation (Net of Admin.) (%)
1. Create new housing opportunities with supports	<ul style="list-style-type: none"> • Create new transitional and supportive housing units • Improve community acceptance of housing for people requiring supports • Build partnerships to test and support new solutions • Improve service delivery, accountability and management through front line training and management development 	35
2. Target capital investments in community and city facilities and shelters	<ul style="list-style-type: none"> • Maintain and improve the physical infrastructure of community and city facilities and shelters to enhance service delivery • Develop a replacement site for the city assessment and referral centre and shelter • Create new shelter beds in response to specific needs • Improve community acceptance of community and city facilities and shelters 	20

Objectives	Priorities	Proposed Allocation (Net of Admin.) (%)
	<ul style="list-style-type: none"> • Build partnerships to test and support new solutions • Improve service delivery, accountability and management through front line training and management development 	
3. Help people access permanent housing and leave the streets and shelters behind	<ul style="list-style-type: none"> • House people quickly • Continue to improve street outreach services • Ensure people who are homeless have ID in order to access housing • Increase the potential of drop-ins as centres of opportunity to support homeless people in accessing housing • Partner with corrections, health, mental health and addictions services to improve service access, delivery and linkages to housing • Build partnerships to test and support new solutions • Improve service delivery, accountability and management through front line training and management development 	19
4. Help keep people housed who are at risk of homelessness	<ul style="list-style-type: none"> • Provide housing supports to homeless people recently housed to help keep them housed • Increase the potential of drop-ins as centres of opportunity to support homeless people in maintaining housing • Partner with corrections, health, mental health and addictions services to improve housing support systems • Build partnerships to test and support new solutions • Improve service delivery, accountability and management through front line training and management development 	12
5. Create skills training and employment opportunities	<ul style="list-style-type: none"> • Prepare people for employment through intensive pre-employment training and support • Build employment expertise and supports within the shelter system to support client reintegration • Create private sector partnerships that provide employment pathways for clients • Create employment through social purpose enterprise initiatives • Build partnerships to test and support new solutions • Improve service delivery, accountability and management through front line training and management development 	12
6. Monitor and measure results of homelessness investments	<ul style="list-style-type: none"> • Undertake second city sponsored street needs assessment • Implement improved program effectiveness measures • Develop and implement a shelter management information system 	2

When compared to SCPI investments, this Plan:

- maintains the percentage of funds targeted at developing additional transitional and supportive housing units at approximately 35%
- continues to invest in capital improvements to community facilities
- puts increased resources into helping people get into permanent housing and to stay housed through enhanced Streets to Homes initiatives including rapid housing placements, a mobile multi-disciplinary street outreach team, projects providing post-incarceration housing help service, intensive case management, housing follow-up and other innovative projects which will emerge
- puts increased resources into the reintegration of clients into the labour market through pre-employment supports and training initiatives, enhanced support of social enterprise development and enhanced private sector partnerships which provide pathways to employment for shelter residents
- continues to recognize and support the importance of training for front line workers who deliver the direct services to clients and continues to support the effective, accountable management of community organizations
- places an increased focus on the issue of Aboriginal homelessness
- more clearly articulates the objective of monitoring for results

The SCPI Community Reference Group and other key community leaders have been involved in shaping and reviewing the proposed Plan. Despite the short time available to prepare an updated, high level plan, a meeting of the SCPI Community Reference Group took place on January 22nd where input was received on what changes might be made to the SCPI Objectives to accurately reflect the current environment and priorities. A draft Plan was then circulated for comments.

The proposed HPS Plan reflects a continued strong emphasis on capital projects, including transitional and supportive housing development and capital improvements and renovations to community facilities. It also places more focus on services that get and maintain housing for people and services that prepare and support them to reintegrate into society through pathways to employment. This plan has been informed by the results of the 2006 Street Needs Assessment and aligns well with current City directions related to Streets to Homes, the Transition to Work Pilot project, the Affordable Housing Plan, the Drop-In Review and strong community partnerships and infrastructure.

Transition From SCPI to HPS

There is one key issue related to the ending of SCPI and the uncertain timing regarding the start date of the HPS. The issue involves the current projects providing services to clients. There are a total of 45 SCPI funded projects currently providing a range of service supports (see Appendix B). The City recently extended these projects to March 31, 2007, when the federal government announced their new HPS program and stated publicly that they did not want to disrupt service provision in the transition between programs. However, unless agencies can be assured that there will be a contribution agreement in place on April 1, 2007, they have to begin lay-off procedures and must

wind down programs well before March 31st. Given that the new HPS program puts priority on direct services to assist homeless or at risk people, it would be extremely disruptive to have a gap between programs resulting in loss of critical service, staffing disruption and loss of expertise. If these projects were extended for up to 3 months beyond March 31, 2007, City staff could undertake an RFP process, once the terms and conditions of the new program are available and confirm HPS funding by the end of June 2007 for those projects that meet the new priorities.

Deputy City Manager Sue Corke has formally asked the federal government for an extension of six months for the current SCPI funding, as this could be used to keep the current projects going throughout the transition period. To date, no response to that request has been received. Therefore, as a back-up plan to ensure that needed services continue in the community, it is recommended that the General Manager, Shelter, Support and Housing Administration be authorized to extend the current projects for up to 3 months from April 1 through June 30, 2007, for a total of up to \$1.6 M with funds from the Social Housing Stabilization Reserve. The General Manager would seek reimbursement of these funds from the federal program, once the contribution agreement is in place.

Update on SCPI Activity

In a report to Council in June 2006, the General Manager, Shelter Support and Housing Administration was given authority to approve allocations of any unexpended SCPI funding to projects and initiatives in line with SCPI Community Plan objectives, between October 1, 2006 and March 31, 2007 and to report to Council in early 2007 on any such approvals. Appendix C provides a list of all approvals to date with a brief description.

The following chart provides the current status of SCPI funds allocated by Community Plan Objective. The full SCPI allocation for this second phase of the program is \$70.35 million.

SCPI Funds Allocated by Community Plan Objective

Community Plan Objective	Allocation Targets	% Distrib.	Actual Allocation	% Distrib.
Build Public Awareness and Support	\$ 1.1 M	1.6	\$ 1.02 M	1.4
Create and Preserve Housing Options	\$ 26.1 M	37.1	\$ 23.7 M	33.7
Target Capital Investment in Shelters and other Community Facilities	\$ 18.29 M	26.0	\$ 18.57 M	26.4
Help People Leave the Street and Shelters Behind	\$ 7.6 M	10.8	\$ 10.4 M	14.8
Create Skills Enhancement and Employment Opportunities	\$ 5.3 M	7.5	\$ 5.9 M	8.4
Build Capacity and Sustainable Partnerships	\$ 6.1 M	8.7	\$ 4.9 M	7.0
Administration	\$ 5.86 M	8.3	\$ 5.86 M	8.3
TOTAL	\$ 70.35 M	100	\$ 70.35 M	100

As of December 31, 2006 a total of \$44.7 million has been expended. The remaining funds will continue to be spent up until March 31, 2007. The federal government has agreed that project holdbacks for activity up to March 31, 2007 can be issued to agencies post March 31st.

In the event that an administrative extension of the SCPI program is provided, an extension of the delegated authority to the General Manager, Shelter, Support and Housing Administration to approve any final allocations of funds to projects and initiatives in line with the SCPI objectives is recommended (Recommendation 10). While most funds are allocated to approved projects, it is still possible that some existing projects will underspend or not go ahead as planned and that there may be some funds available for reallocation.

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ATTACHMENTS

Appendix A: Homelessness Partnering Strategy: Plan for Investment 2007 - 2009
Appendix B: Service Related Projects Recommended for Extension
Appendix C: Project Approvals Under GM Delegated Authority: October 2006 to February 2007