



STAFF REPORT ACTION REQUIRED

2012 Per Diem Rates for the Purchase of Service Shelter System

Date:	May 8, 2012
To:	Community Development and Recreation Committee
From:	General Manager, Shelter, Support and Housing Administration
Wards:	All
Reference Number:	

SUMMARY

There are 48 shelter sites operated by 30 community not-for-profit agencies funded through purchase of service contracts with the City. The largest community not-for-profit providers of shelter services are the Salvation Army, Homes First Society and the YWCA. All programs must meet the operating requirements as set out in both the Toronto Shelter Standards and the purchase of service contracts and all programs are evaluated using a Quality Assurance review process. In addition, the City has the ability to provide emergency shelter to families through the use of motel beds.

This report provides recommendations on the 2012 Per Diem rates for the purchase of service (POS) shelter system and funding levels for other related operating contracts.

There are no financial impacts associated with this report beyond those included in the 2012 Approved Operating Budget for Shelter, Support and Housing Administration, as funding for all of these activities has already been approved by Council through the 2012 budget process.

RECOMMENDATIONS

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

1. Council approve the recommended per diem rates, bed capacities and Personal Needs Allowance funding amounts for the purchase of service shelter system as set out in Appendix A. Overall funding amounts are in accordance with the funding included in the 2012 Approved Operating Budget for Shelter, Support and Housing Administration; and

2. the General Manager, Shelter, Support and Housing Administration, and/or his designate be authorized to:
 - a. enter into purchase of service agreements with community agencies and motel operators for the provision of shelter services and the issuance of Personal Needs Allowance, up to the maximum contract values as outlined in Appendix A;
 - b. issue payments of up to \$0.988 million gross (\$0 net) to motel operators as required for families that cannot be accommodated within the directly operated family shelters;
 - c. contract with and issue payments of up to \$9.42 million(gross)/\$1.88 million (net) to Mental Health Program Services of Metropolitan Toronto (Habitat Services) for the provision of housing and supports for psychiatric consumer survivors living in Habitat contracted boarding or rooming houses;
 - d. contract with and issue payments to the Toronto Hostels Training Centre for the administration and provision of training for shelter, drop-in and other agency staff up to a maximum amount of \$0.218 million (gross)/\$0.109 million (net); and
 - e. purchase up to \$0 .065 million (gross and net) in training for staff of the directly operated shelters from the Toronto Hostel Training Centre in order to meet the training requirements laid out in the Council approved Toronto Shelter Standards.

Financial Impact

There are no financial impacts associated with this report beyond those included in the 2012 Approved Operating Budget for Shelter, Support and Housing Administration, as funding for all of these activities has already been approved by Council. This report seeks to set specific rates or contract ceilings as noted in Appendix A.

Appendix B summarizes the allocations to service providers, funds for which are included in the Approved 2012 Operating Budget for Shelter, Support and Housing Administration. The Appendix also summarizes the changes from the 2011 Operating Budget.

The 2012 Operating Budget includes funding of \$9.420 million (gross)/\$1.880 million (net), for Habitat Services. To date, there has been no notice of an increase in the per diem for 2012 from the Ministry of Health and Long-Term Care for this service.

Funding for the motel program of \$0.988 million gross, with no net incremental impact, is included in the 2012 Approved Operating Budget.

Shelter, Support and Housing Administration operates within its funding authorities up to the approved Operating Budget. In the event that occupancy levels exceed the 2012 approved budget, Shelter, Support and Housing Administration will report out to Community Development and Recreation Committee and to Budget Committee and seek to mitigate cost pressures within the overall divisional envelope.

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

DECISION HISTORY

Shelter, Support, and Housing Administration reports annually on the recommended per diem rates and bed capacities. A copy of the 2011 report can be found at:

<http://www.toronto.ca/legdocs/mmis/2011/cd/bgrd/backgroundfile-39041.pdf>

ISSUE BACKGROUND

Shelter, Support and Housing Administration Division is the Provincially designated Consolidated Municipal Service Manager responsible for program delivery and system oversight. The Ontario Works Act outlines the authority for municipalities to operate shelters or to purchase service from community agencies to provide shelter services and personal needs allowances. At the present time, the Provincial revenue funding formula is an occupancy driven model which pays shelters on a per diem basis for beds occupied by homeless individuals, families and their children.

Council has made numerous recommendations to urge the Province to change the funding model and increase the per diem rate. The current rate does not adequately fund the costs of providing emergency shelters in the City of Toronto nor does it fund the services required to assist homeless individuals to find and keep housing. In the 2012 operating budget for Purchase of Service shelters the proposed average per diem rate is \$52.46, of which the Province pays \$35.60.

Although the Province has put a process in place to upload the municipality's share of the per diem, full cost upload will not take place until 2018. For 2012, the Provincial/Municipal cost share should be 82.8/17.2%; however, based on the 2012 proposed average per diem rate, the cost share is now 68.2/31.8%. Since the subsidy remains capped, the City continues to fund the Provincial shortfall. The projected system wide shortfall for 2012 is \$ 32.7 million.

In the context of the Long-Term Affordable Housing Strategy, released in November 2010, the Province has signalled that it will be consolidating a number of housing and homelessness funding streams. Staff will report back to Community Development and Recreation Committee when further details of the funding consolidation approach are known.

COMMENTS

As of January 1, 2012, there were 57 shelter facilities in the City of Toronto. The shelter system is a mixed service delivery model. The City directly operates 9 shelters.

There are another 48 shelter sites operated by 30 community not-for-profit agencies funded through purchase of service contracts with the City. The funding rates for these shelters are the subject of this report. The largest community not-for-profit providers of shelter services are the Salvation Army (628 beds), Homes First Society (166 beds) and the YWCA (136 beds). All programs must meet the operating requirements as set out in both the Toronto Shelter Standards and the purchase of service contracts and all programs are evaluated using a Quality Assurance review process. In addition, the City has the ability to provide emergency shelter to families through the use of motel beds.

Occupancy Information:

Shelters provide emergency shelter, food, board, lodging and specialized counselling and support services for thousands of people annually. In 2011 there were on average 3,800 permanent beds available nightly in the regular shelter system for single adults, youth, and families with children. This is similar to the 2010 average. On average, there are also 169 beds in the motel program used to provide emergency shelter to families. This is down significantly from the 2009 average of 405 beds, but relatively unchanged from the 2010 average of 162 beds.

The 2011 average occupancy rate for single adult and youth shelters was 93 per cent. There were, in addition an average of 882 persons, including children, in the family shelters on a nightly basis. Appendix C provides a chart showing average occupancy information for 2010 and 2011.

1. **Purchase of Service Rates and Bed Capacities**

a. 2012 Recommended Per Diem Rates, Bed Capacities and Personal Needs Allowances

The 2012 recommended per diem rates, bed capacities, personal needs allowances, and detailed information for each shelter are included in Appendix A. The funds for these rates have already been approved as part of the 2012 Shelter, Support and Housing Administration Operating Budget.

In 2011, 19 additional temporary beds were added at Streethaven and Salvation Army Evangeline to serve the women's shelter sector. These temporary beds will continue to be utilized in 2012.

In the single men's system, the Schoolhouse shelter, which is the subject of a separate report to committee, is slated for closure and capacity has been reduced as clients leave the program. Funding for a full year of operation is however available in the 2012 budget.

In the family sector, the bed capacity at Christie Refugee Welcome Centre was reduced from 79 beds to 70 beds at the request of the agency. Given the physical layout of the building, the shelter was never able to achieve full use of these beds. The per diem rate for the shelter was increased to \$52.47; however due to the capacity reduction, there will be no net impact on the 2012 approved budget.

b. Information on In-Year Adjustments to Per Diem Rates

Changes to the Council approved per diem rates and bed capacities are considered in-year adjustments. These adjustments can occur for a number of reasons including a change in service provision, an urgent financial situation that requires an increase to the per diem rate, and/or a need for additional beds to meet occupancy demand. Hostel Services has an established business practice that appropriately records and accounts for any in-year per-diem adjustments. Any change in the contract must be approved by the appropriate signing authorities and SSHA reports out annually to Council on any required in-year adjustments. No in-year adjustments were made in 2011.

c. Other Service Contracts - Motels, Toronto Hostels Training Centre and Habitat Services

This report seeks authorization to enter into funding contracts with Habitat Services and the Toronto Hostels Training Centre and purchase of service agreements for the City's Motel Program. Funds for these contracts have already been approved as part of the 2012 SSHA Operating Budget. Appendix D – Other Service Contracts provides further information on these programs.

Habitat Services is a housing and support subsidy program that is funded by the Ministry of Health and Long-term Care and the City of Toronto. On an annual basis, the program provides a housing subsidy for up to 931 units of private and not-for-profit boarding homes and rooming houses for people with psychiatric illnesses. In 2011, 1130 people were housed through Habitat Services, an increase of 60 people from 2010.

In 2011, 3890 shelter, drop in and other agency staff, as well as individuals from the community, received training and certificates through the Toronto Hostels Training Centre, an increase of 324 from 2010. The Centre offers over 120 different training courses and seven certificate

programs that support agencies in meeting the Toronto Shelter Standards and allow staff to develop skills related to the provision of services to homeless individuals.

The City of Toronto contracts with motels to provide spaces for families when the regular permanent shelter system for families is at or near capacity. The motel program is administered through two directly operated shelters, Family Residence and Birkdale Residence. The use of motels allows the City the flexibility to respond quickly to changes in demand within the family shelter sector. On an average night in 2011, 169 people were provided shelter using the motel program.

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ATTACHMENTS

- Appendix A - 2012 Recommended Per Diem Rates, Bed Capacities and Personal Needs Allowances
- Appendix B - 2011 vs. 2012 Approved Operating Budget
- Appendix C - 2010 vs. 2011 Occupancy Information
- Appendix D - Other Service Contracts

2012 Recommended Per Diem Rates, Bed Capacities and Personal Needs Allowances

Appendix A

2012 SHELTER INFORMATION		2012 BUDGET RECOMMENDATION					
SHELTER AND SECTOR	WARD LOCATION	BED CAPACITY	PROJECTED OCCUPANCY	RECOMMENDED PER DIEM RATE	MAXIMUM CONTRACT VALUE	OPERATING BUDGET BASED UPON PROJECTED OCCUPANCY	PERSONAL NEEDS ALLOWANCE 2012 BUDGET (Actual funding based on client eligibility)
COED/MIXED SHELTERS							
DIXON HALL- HEYWORTH HOUSE	31	70	99%	\$56.35	\$1,439,743	\$1,425,345	\$51,637
HOMES FIRST SOCIETY- 3576 ST. CLAIR AVE. E.	35	60	100%	\$50.00	\$1,095,000	\$1,095,000	\$42,377
FRED VICTOR CENTRE – BETHLEHEM UNITED	15	60	100%	\$63.00	\$1,379,700	\$1,379,700	\$37,668
BETHLEHEM CHURCH	15				\$270,428	\$270,428	na
HOMES FIRST SOCIETY-STRACHAN HOUSE	19	68	100%	\$33.05	\$820,301	\$820,301	na
(Strachan emergency beds)		8	90%	\$39.35	\$114,902	\$103,412	\$5,876
COSTI-RECEPTION CENTRE - Refugee	20	16	95%	\$33.05	\$193,012	\$183,361	\$22,186
FIFE HOUSE-CO-ED Programs***	***	16	99%	\$20.25	\$118,260	\$117,077	na
TOTAL COED SHELTERS		298	99%	\$42.15	\$5,431,346	\$5,394,624	\$159,744
FAMILY/REFUGEE SHELTERS							
YWCA - BEATRICE HOUSE – Family	17	80	92%	\$56.35	\$1,645,420	\$1,513,786	\$74,733
CHRISTIE REFUGEE WELCOME CENTRE - Refugee (FORMERLY WORLD VISION)	20	70	92%	\$52.47	\$1,340,609	\$1,233,360	\$86,485
SOJOURN HOUSE-Refugee	27	50	95%	\$56.35	\$1,028,388	\$976,968	\$71,571
SOJOURN HOUSE-Refugee Transitional		76	99%	\$32.20	\$893,228	\$884,296	na
TORONTO COMMUNITY HOSTEL - Family and Refugee	20	24	96%	\$56.35	\$493,626	\$473,881	\$29,343
WOODGREEN REDDOOR - Family and Refugee	30	106	96%	\$65.55	\$2,536,130	\$2,434,684	\$126,441
TOTAL FAMILY SHELTERS		406	95%	\$53.21	\$7,937,400	\$7,516,975,	\$388,573

2012 Recommended Per Diem Rates, Bed Capacities and Personal Needs Allowances

Appendix A

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SHELTER AND SECTOR	WARD LOCATION	BED CAPACITY	PROJECTED OCCUPANCY	RECOMMENDED PER DIEM RATE	MAXIMUM CONTRACT VALUE	OPERATING BUDGET BASED UPON PROJECTED OCCUPANCY	PERSONAL NEEDS ALLOWANCE 2012 BUDGET (Actual funding based on client eligibility)
MEN'S SHELTERS							
SCOTT MISSION	20	45	99%	\$41.60	\$683,280	\$676,447	\$38,845
CORNERSTONE PLACE	21	50	100%	\$41.60	\$759,200	\$759,200	\$39,238
GOOD SHEPHERD	28	91	99%	\$46.05	\$1,529,551	\$1,514,255	\$61,415
GOOD SHEPHERD-BARRETT	28	5	100%	\$24.15	\$44,074	\$44,074	na
NATIVE MEN'S RESIDENCE	21	63	99%	\$55.25	\$1,270,474	\$1,257,769	\$59,327
NATIVE MEN'S RESIDENCE-SAGETAY	21	22	99%	\$67.00	\$538,010	\$532,630	\$15,538
CHRISTIE-OSSINGTON CENTRE-MEN	18	45	99%	\$60.10	\$987,143	\$977,271	\$28,251
SALVATION ARMY-HOPE SHELTER	20	110	99%	\$44.10	\$1,770,615	\$1,752,909	\$77,690
SALVATION ARMY-MAXWELL MEIGHEN	28	260	98%	\$42.60	\$4,042,740	\$3,961,885	\$179,551
SALVATION ARMY-GATEWAY	28	108	99%	\$45.25	\$1,783,755	\$1,765,917	\$84,753
DIXON HALL-SCHOOL HOUSE	27	55	80%	\$46.50	\$933,488	\$746,790	na
ST SIMON'S SHELTER	28	57	99%	\$51.65	\$1,074,578	\$1,063,832	\$58,150
TOTAL MEN'S SHELTERS		911	98%	\$47.15	\$15,416,908	\$15,052,979	\$642,758
SEASONAL SHELTERS							
COLD AND HEAT ALERT BEDS - MULTIPLE SITES ARE CONTRACTED FOR ADDITIONAL BEDS. THERE ARE 22 PROJECTED ALERTS BUDGETED FOR IN 2011 - INCLUDES STIPEND~		90	47%	\$45.55	\$184,478	\$176,704	\$4,354
DIXON HALL - OUT OF THE COLD (average number of beds per night) **		90	81%	\$73.00	\$1,189,170	\$963,227	na
UNIVERSITY SETTLEMENT (WEEKENDS ONLY)	20	75	99%	\$41.60	\$599,040	\$593,050	na
TOTAL SEASONAL SHELTERS		255	76%	\$53.38	\$1,972,688	\$1,732,981	\$4,354

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WOMEN'S SHELTERS							
ST.VINCENT DE PAUL-AMELIE **	30	20	99%	\$75.75	\$552,975	\$547,445	\$17,092
FRED VICTOR CENTRE WOMEN'S SHELTER	28	40	99%	\$57.40	\$838,040	\$829,660	\$31,076
ST.VINCENT DEPAUL-MARY'S HOME	27	38	98%	\$57.40	\$796,138	\$780,215	\$23,380
NELLIE'S WOMEN'S SHELTER	***	10	100%	\$62.40	\$227,760	\$227,760	\$15,695
ST.VINCENT DEPAUL-ST CLAIRE RESIDENCE	24	30	98%	\$38.45	\$421,028	\$412,607	na
ST.VINCENT DEPAUL-ELISA HOUSE	6	40	98%	\$57.40	\$838,040	\$821,279	\$30,762
SALVATION ARMY-EVANGELINE RESIDENCE	14	90*	98%	\$57.80	\$1,898,730	\$1,860,755	\$69,215
SALVATION ARMY-FLORENCE BOOTH HOUSE	19	60	98%	\$59.10	\$1,294,290	\$1,268,404	\$51,680
STREET HAVEN	27	33*	99%	\$64.55	\$777,505	\$761,955	\$26,394
HOMES FIRST SOCIETY-SAVARD HOUSE	18	30	97%	\$66.70	\$730,365	\$708,454	\$23,751
YWCA - FIRST STOP WOODLAWN-WOMEN	22	28	99%	\$57.40	\$586,628	\$580,762	\$27,410
TOTAL WOMEN'S SHELTERS		419	98%	\$59.49	\$8,961,499	\$8,799,296	\$316,455

2012 Recommended Per Diem Rates, Bed Capacities and Personal Needs Allowances

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SHELTER AND SECTOR	WARD LOCATION	BED CAPACITY	PROJECTED OCCUPANCY	RECOMMENDED PER DIEM RATE	MAXIMUM CONTRACT VALUE	OPERATING BUDGET BASED UPON PROJECTED OCCUPANCY	PERSONAL NEEDS ALLOWANCE 2012 BUDGET (Actual funding based on client eligibility)
YOUTH SHELTERS							
COVENANT HOUSE	27	94	86%	\$57.40	\$1,969,394	\$1,693,679	\$101,578
COVENANT HOUSE-SECOND STAGE	27	28	85%	\$53.60	\$547,792	\$465,623	na
EVA'S INITIATIVES-PLACE	34	32	90%	\$57.40	\$670,432	\$603,389	\$32,003
EVA'S INITIATIVES-SATELLITE **	23	32	95%	\$72.84	\$850,771	\$808,233	\$31,013
HORIZONS FOR YOUTH	17	35	86%	\$57.40	\$733,285	\$630,625	\$30,351
NATIVE CHILD & FAMILY SERVICES SHELTER	19	12	95%	\$57.40	\$251,412	\$238,841	\$8,052
EVA'S INITIATIVES-PHOENIX	19	50	96%	\$57.40	\$1,047,550	\$1,005,648	\$44,732
SECOND BASE YOUTH	35	56	84%	\$62.40	\$1,275,456	\$1,071,383	\$49,307
TOUCHSTONE YOUTH + \$64,000 pay direct rent for city lease	29	32	85%	\$62.40	\$728,832	\$619,507	\$29,883
TURNING POINT YOUTH	27	35	85%	\$57.40	\$733,285	\$623,292	\$28,016
YMCA HOUSE	20	45	84%	\$61.80	\$1,015,065	\$852,655	\$32,417
YWCA - FIRST STOP WOODLAWN-YOUTH	22	28	90%	\$57.40	\$586,628	\$527,965	\$29,883
YOUTH WITHOUT SHELTER	1	50	91%	\$57.40	\$1,047,550	\$953,271	\$45,908
TOTAL YOUTH SHELTERS		529	88%	\$59.40	\$11,457,452	\$10,094,111	\$463,143
TOTALS		2,818	94%	\$52.46	\$51,177,289	\$48,590,969	\$1,975,027

*INCLUDES TEMPORARY BEDS

** ALL PER DIEM RATES ARE FROZEN FROM 2010

***CONFIDENTIAL ADDRESSES - LOCATION ADMINISTRATION OFFICES

-INCLUDES A \$200 STIPEND PER AGENCY WHENEVER AN EXTREME WEATHER ALERT IS CALLED. THE STIPEND PAYS ADDITIONAL STAFF THAT THE AGENCY NEEDS TO BRING ON SHIFT ON SHORT NOTICE

Appendix B

2011 Approved Operating Budget vs. 2012 Approved Operating Budget

	2011 Approved Budget		2012 Approved Budget		Increase/ (Decrease)	
	Gross	Net	Gross	Net	Gross	Net
Purchase of Service Shelter Provider Contracts	48.591	16.250	48.591	15.469	0	(0.781)
Personal Needs Allowances	1.975	0.371	1.975	0.340	0	(0.031)
Habitat Mental Health Program Services of Metropolitan Toronto (Habitat Services)	8.676	1.737	9.423	1.887	0.747	0.15
Toronto Hostels Training Centre	0.218	0.109	0.218	0.109	0	0
City of Toronto Shelter Training Needs	0.042	0.042	0.065	0.065	.023	.023
Motels	1.121	0.000	0.988	0.000	(0.133)	0
Total	60.623	18.509	61.26	17.87	0.637	(0.639)

As per the table above, this year's approved 2012 Operating Budget includes a total of \$ 61.26 million (gross), \$17. 87 million (net), for these various contracts.

Appendix C

2010 vs. 2011 OCCUPANCY INFORMATION				
The following provides an overview of the sector and system occupancy rates for 2010 and 2011:				
SECTOR	2010 AVERAGE NUMBER OF BEDS OCCUPIED NIGHTLY	2010 OCCUPANCY RATE (%)	2011 AVERAGE NUMBER OF BEDS OCCUPIED NIGHTLY	2011 OCCUPANCY RATE (%)
CO-ED/ MIXED ADULT	304	98%	291	98%
MEN	1507	92%	1507	92%
WOMEN	511	97%	514	97%
YOUTH	462	88%	475	90%
SINGLE ADULT AND YOUTH AVERAGE	2784	93%	2787	93%
FAMILY	879	n/a- capacity expands to meet increased demand	882	n/a- capacity expands to meet increased demand

Other Service Contracts

a. **Mental Health Program Services of Metropolitan Toronto - Habitat Services**

Habitat Services is a housing and support subsidy program that is cost-shared by the Ministry of Health and Long-term Care and the City of Toronto. On an annual basis the program provides a housing subsidy for up to 931 units of private and not-for-profit boarding homes and rooming houses for people with psychiatric illnesses. The subsidy is based upon a per diem rate which is adjusted according to each individual tenant's income.

Up to \$9.42 million (gross)/\$1.88 million (net), has been budgeted for Habitat Services in 2012.

b. **Toronto Hostel Training Centre**

The Toronto Hostels Training Centre (THTC) was created in 1997, following the recommendations made by a Coroner's jury regarding the need for staff training in hostels. The City of Toronto provides \$218,000 in annual funding to provide specialized training and associated services in a cost effective manner for the staff and board members of shelters and others working with homeless people. The Centre offers all of the mandatory training required in the Toronto Shelter Standards.

On an annual basis City operated shelters purchase training from the Toronto Hostels Training Centre in order to meet the training requirements under the Shelter Standards. The rates are reasonable and range from \$35-\$57 per day, per person, per course. Given the specialized training, purchasing limits and requirements related to sole source contracts, Hostel Services is seeking the authority to continue to purchase training from the Centre for an amount up to \$65,000.

c. **Motel Contracts**

The City of Toronto contracts with motels to provide spaces for families when the regular permanent shelter system is at or near capacity. The motel program is administered through two directly operated shelters, Family Residence and Birkdale Residence. At the present time the City works with three motels in Scarborough (two in Ward 44 and one in Ward 36). In 2011, the average number of people staying in the motels including children on a nightly basis was 169.

The costs for this program, up to \$ 988,437 are included in the 2012 Shelter, Support and Housing Administration Operating Budget.