



STAFF REPORT ACTION REQUIRED

Housing Stabilization Fund: Updates and New Housing Allowance

Date:	September 4, 2013
To:	Community Development and Recreation Committee
From:	Deputy City Manager, Cluster A Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	

SUMMARY

In May, 2013, Council directed staff to report back on the take up and expenditures for HSF in the second quarter of 2013, and report on the plan to use the unallocated funds to support a new housing allowance.

Council previously directed the use of Community Homelessness Prevention Initiative (CHPI) funding to establish the Housing Stabilization Fund (HSF), which provides assistance to Ontario Works (OW) and Ontario Disability Support Program (ODSP) clients in obtaining and/or retaining their housing, or relocating to more appropriate or affordable accommodation.

This report provides an update on Housing Stabilization Fund (HSF) spending for the period ended June 30, 2013, and outlines the steps that Toronto Employment & Social Services (TESS) has taken to increase the take up of HSF, including providing improved communication, additional outreach and updating eligibility changes.

This report also requests authority to create a time-limited housing allowance program that supports homeless and at-risk seniors households, including identifying the eligibility criteria, target groups, funding levels, and administration processes. The proposed housing allowance will be jointly delivered by TESS and Shelter, Support & Housing Administration (SSHA).

RECOMMENDATIONS

The Deputy City Manager Cluster A and Deputy City Manager and Chief Financial Officer recommend that:

1. City Council direct the General Managers of TESS and SSHA to deliver a time-limited housing allowance program to assist up to 260 homeless and at-risk senior households in Toronto in accordance with the eligibility criteria outlined in this report.
2. City Council authorize the reallocation of funding for the HSF of \$3.7 million gross and revenue for \$0 net, from the 2013 Approved Operating Budget for TESS at the end of the year, provided these funds are unspent, to the 2013 Approved Operating Budget for Hostel Services for this purpose.
3. City Council authorize the establishment of a new "Housing Allowance Reserve" as an earmarked reserve, for the purpose of providing a housing allowance to individuals experiencing and at risk of homelessness, in accordance with the criteria set out in Appendix A by:
 - (i) Amending Municipal Code Chapter 227 (Reserves and Reserve Funds) by adding the "Housing Allowance Reserve" to Schedule 1 (Corporate Reserves) with criteria as set out in Appendix A.
 - (ii) Funding the "Housing Allowance Reserve" in the amount of up to \$3.7 million from the 2013 Hostel Services Operating Budget.
4. City Council authorize the allocation of \$3.7 million from the 2013 Hostel Services Operating Base Budget as a contribution to the newly established Housing Allowance Reserve, to provide funding for time-limited housing allowances in accordance with the criteria set out in this report; and
5. City Council directs the General Manager of TESS to change the HSF asset limit to \$2,500 to align with the change in new asset limit rules for Ontario Works in the 2013 Ontario Budget.

Financial Impact

The HSF is financed in part by Provincial CHPI subsidy. Provincial policy stipulates that all CHPI funds are to be spent within the fiscal funding period. A total of \$23.9 million of the CHPI subsidy was allocated to TESS for HSF during the 2013 Operating Budget process; current projections indicate that \$20.2 million of this CHPI funding will be spent by the end of 2013, resulting in unallocated funding of \$3.7 million.

The expenditure criteria established by the Province are purposefully flexible, giving the City the authority to allocate funds to different homelessness programs. This report recommends a one-time reallocation of \$3.7 million from the HSF to fund the eligible expenditures included in the 2013 Hostel Services Budget.

This report further requests that City Council authorize the creation of a new, time-limited Housing Allowance Reserve for the purpose of providing a housing allowance to individuals at risk of homelessness.

One-time funding will be provided by repurposing \$3.7 million from the 2013 Hostel Services Base Budget, available for the time-limited housing allowance program, with no ongoing commitment, in accordance with the criteria established in this report.

In addition, this report recommends modifications to the existing HSF to align with the new asset limit of \$2,500 in accordance with the new asset limit rules for Ontario Works in the 2013 Ontario Budget.

DECISION HISTORY

At its meeting on October 30, 31 and November 1, 2012, City Council adopted "*Changes to Provincial Funding Approaches for Homeless Prevention and Social Assistance Programs: Implementation Strategies and Issues.*" The report provided an overview of provincial changes to several homeless prevention and social assistance programs administered by the City and outlined an implementation strategy to help meet the City's long-term strategic goals, while maintaining services to vulnerable residents wherever possible.

<http://www.toronto.ca/legdocs/mmis/2012/ex/bgrd/backgroundfile-50494.pdf>

At its meeting on January 15 and 16, 2013, City Council adopted "*One-Time Provincial Grant Funding to Support Transition to the Community Homelessness Prevention Initiative (CHPI).*" The report made recommendations regarding additional one time funding from the Ministry of Community and Social Services (MCSS), for the purposes of assisting with the transition to the CHPI in 2013. The report also authorized the General Manager of Toronto Employment & Social Services to make the necessary changes to the Housing Stabilization Fund to reduce the impact of provincial funding reductions on the City's social assistance clients.

<http://www.toronto.ca/legdocs/mmis/2013/bu/bgrd/backgroundfile-54985.pdf>

At its meeting on May 7, 8 and 9, 2013, City Council adopted "*Implementing the Housing Stabilization Fund: Update on Progress to Date.*" The report provided an update on the Housing Stabilization Fund (HSF) during the first quarter of 2013, describing the implementation of HSF, including establishing eligibility criteria, promoting awareness and measuring outcomes. It also discussed TESS' initial experience with HSF and the steps that TESS planned to take to modify it to better meet the needs of clients. The report additionally outlined next steps for improving HSF, including a recommendation to provide details on a housing allowance using unallocated CHPI funds. <http://www.toronto.ca/legdocs/mmis/2013/cd/bgrd/backgroundfile-57328.pdf>

ISSUE BACKGROUND

The past year has been one of considerable change in the area of housing and homelessness prevention services in Toronto. As a result of these changes, it was understood that 2013 would be a transitional year and HSF would be modified based on experience.

- In response to the elimination of the Community Start-Up and Maintenance Benefit (CSUMB) and the consolidation of housing programs into the Community Homelessness Prevention Initiative (CHPI), TESS and SSHA implemented a Housing Stabilization Fund in January 2013. Using CHPI funding and consistent with the objectives of that program, HSF provides resources to prevent evictions and assists OW and ODSP clients to obtain housing, retain their housing or relocate to more appropriate or affordable accommodation.
- Of the \$96.4 million in total CHPI funding received by the City for 2013, \$23.9 million was allocated to the HSF. In addition, the Province announced in December 2012 a one-time grant to support the transition to CHPI, with Toronto's allocation \$12.3 million gross/0 net (\$9.8 million in 2013, \$2.5 million in 2014). In 2013, TESS will apply \$6.8 million of the one-time funding to HSF. However, this fund has fewer resources and a funding cap, in contrast to the open-ended, cost-shared nature of CSUMB.
- Due to these changes, there was limited time to communicate the new HSF to residents and community organizations. In turn, demand for the fund and usage of it was lower than anticipated, based on the initial projections that were conducted.
- Reflecting the understanding that 2013 is a transitional year, ongoing refinements of HSF have been undertaken to improve uptake of the funding. TESS has taken several steps to improve the HSF, including better external and internal outreach, training and communication, as well as revising the eligibility criteria to better respond to the needs of vulnerable residents.
- However, even with these changes in place, HSF expenditures are still less than initially forecast. To ensure all funds currently allocated to the HSF are invested to support vulnerable households achieve and maintain housing stability, TESS and SSHA are developing a housing allowance to reallocate unused 2013 CHPI funding, as per the recommendation in the May, 2013 Council Report on HSF.
- In June, 2013, the Ontario Government released its 2013 Budget, which included changes to social assistance programs. In particular, the Province modified the limits for liquid assets, which will increase for single adults receiving OW from \$606 to \$2,500, and from \$1,043 to \$5,000 for couples. This report recommends modifications to HSF that would better align with these new and higher asset limits.

COMMENTS

The remainder of this report is divided into two sections:

- Section A provides an update on the uptake of the HSF during the second quarter of 2013.
- Section B outlines the details of a new housing allowance, including program design, eligibility, target groups, participant identification and rationale.

A: Update on HSF Use and Expenditure Levels

Table 1 below provides an overview of HSF take-up, expenditures and other relevant client data for the 1st and 2nd quarters of 2013. During the second quarter of 2013, 10,474 applications were submitted for HSF, with 9,828 cases receiving assistance through the fund, largely to pay for necessary furniture when establishing a residence and to pay last month's rent when relocating. Based on HSF eligibility criteria, 10% of cases were deemed ineligible.

Table 1: HSF Expenditures and Relevant Client Data, 1st and 2nd Quarter 2013

	January	February	March	April	May	June	To Date
Applications / Outcomes	1,496	1,489	1,665	3,010	4,080	3,384	15,124
Eligible	1,051	1,133	1,336	2,646	3,889	3,293	13,348
\$ Issued	\$454,000	\$571,535	\$711,082	\$1,582,629	\$2,602,404	\$2,252,943	\$8,174,593
Average Issuance	\$432	\$504	\$532	\$598	\$669	\$684	\$570
Ineligible	445	356	329	364	317	378	2,189
Request Reasons							Totals
Last Month's Rent	436	401	422	799	1,003	848	3,909
Furniture	494	558	692	1,310	1,845	1,530	6,429
Rental Arrears	96	135	168	298	528	457	1,682
Energy Arrears	25	39	54	122	212	166	618
Moving/Storage	N/A			117	301	292	710

In response to the initial demand and take up of HSF, TESS has taken a number of steps since April 2013, improving both communication and eligibility criteria. These are detailed in Appendix B.

Overall, TESS' improved experience with HSF in the second quarter of 2013 demonstrates that the division has been successful in addressing the issues relating to the initial low uptake of HSF.

Since April 2013, when the changes to HSF were made, uptake for the fund has improved substantially as demonstrated by the following:

- Only 10% of clients were found to be ineligible for HSF funding in Q2 of 2013, compared to 24% of applicants found to be ineligible in Q1 2013.
- The number of applications for HSF has increased enormously, from 1,496 in January 2013 to 3,384 in June 2013.
- The average issuance has increased by 58% since January 2013.
- The amount of money issued monthly was nearly five times higher in June 2013, as compared to January 2013.

- The new option of funding to help pay for moving and storage has assisted over 700 individuals.

Staff will continue to monitor the take up of the fund and ensure those that are eligible are accessing it.

In order to align with the recent changes to social assistance coming out of the 2013 Ontario Budget, this report recommends that asset limits to qualify for HSF be raised. As of September 2013, single adults and couples are allowed to hold higher assets in order to be eligible for OW (see Table 2 below). This report recommends that the HSF asset limits be raised to align with the new OW eligibility asset limits. Prior to this change, individuals had to deplete the majority of their assets in order to qualify for OW. With higher assets, recipients will become more financially secure and will not have to rely on minimal assets to pay for necessities such as rent or utilities.

Table 2: Allowable Asset Levels		
	Single Adults Receiving OW	Couples Receiving OW
Before September 2013	\$606	\$1,043
After September 2013	\$2,500	\$5,000

This change means that those attempting to access HSF funding will be allowed to have higher assets. It will increase access to HSF, improving the take up of the fund by making fewer people ineligible due to asset limitations. The number of residents made ineligible related to excess assets as of June 2013 was 59.

B: New Housing Allowance Program

At its May 7th to 10th, 2013, meeting, City Council directed the General Managers of SSHA and TESS to "provide details on a housing allowance through the use of unallocated Housing Stabilization Fund funds, as well as an update on the take up and expenditures for the Housing Stabilization Fund, in a report to the September 18, 2013 meeting of the Community Development and Recreation Committee."

It is anticipated that up to \$3.7 million in unspent HSF funding will be available by December 31, 2013. In order to fully utilize the 2013 CHPI subsidy, the report recommends a transfer of the underspending to SSHA Hostel Services, to be realized as actual revenue for SSHA, which will be used to fund eligible Hostel Services expenses. This funding allocation satisfies the Province's policy that requires all CHPI funding be spent within the fiscal year.

Recent experience has demonstrated that housing allowances are an effective way to help households who are currently homeless or at risk of losing their housing.

Housing allowances achieve a number of benefits, including:

- Assisting homeless individuals to move off the streets or out of shelters and achieve greater housing stability through wrap-around supports. Eventually, it is anticipated that housing

allowances will be a key tool in diverting households from the shelter system altogether and, ultimately, reducing shelter occupancy levels.

- Providing bridging support to social assistance recipients who are in a position to transition to employment but likely to continue to face housing affordability challenges. In some cases, these housing affordability challenges can act as a disincentive to households that may otherwise wish to move off of social assistance.
- Reducing health and other emergency service costs associated with homelessness. Research has shown that stable housing improves health and well-being and reduces use of EMS ambulance transports by 38%, arrests by police by 56%, and emergency room use by 40%.
- Creating more stable, successful tenancies and reducing the risk of evictions due to rental arrears. In addition to generally improving the tenant-landlord relationship, this reduces legal costs to landlords, tenants and the court system.
- Assisting households on the social housing waiting list who face typical wait times of up to 10 years before receiving rent-geared-to-income (RGI) assistance. In addition to providing immediate support to households with unmet housing needs, the stability provided by the housing allowance may ultimately reduce demand on the waiting list.
- Providing housing choice for households. Unlike with RGI assistance, housing allowances provide the recipient with opportunity to choose almost anywhere they want to live within Toronto, as long as the unit is affordable, secure and of a reasonable size.

The housing allowance program recommended in this report will help up to 260 households requiring assistance to achieve housing stability. A payment of \$400/month will be provided to recipient households that fall in three target groups, for a period of 1 to 3 years.

Currently, it is anticipated that up to \$3.7 million in funding will be available for the housing allowance program. These funds will be committed to a reserve fund in 2013 and be expensed over a period of no more than 3 years, from 2014 to 2017. The intent of this program is to provide a transitional benefit that bridges recipient households to self-sufficiency or long-term support programs, depending on their service needs.

Program Design

All households participating in the housing allowance program will receive the same benefit payment of \$400/month. At the beginning of each benefit year, participating households will be required to submit a new application, which will be reviewed to ensure ongoing eligibility. Payment of housing allowance benefits will be made to the recipient or, in some cases, directly to a landlord on behalf of the recipient based on a mutually-agreed to housing plan with a support worker. All housing allowances, including those directly paid to a landlord, are portable (i.e., can be transferred to another unit) within Toronto.

Eligibility Criteria

Eligibility for the housing allowance program will be determined on a consistent basis with previous housing allowance programs implemented by the City of Toronto. All participating

households will be required to submit an application for the housing allowance program and must satisfy the following criteria:

- Be assessed as "experiencing homelessness" (i.e., without long-term accommodation); or "at risk of homelessness" (i.e., have difficulty maintaining appropriate housing that is safe, adequate, affordable and secure.)
- referred to the program by either the Toronto Employment & Social Services or Shelter, Support & Housing Administration division, or a designated partner agency;
- be a resident of Toronto;
- have appropriate status in Canada;
- have filed a prior year income tax return (e.g., will have filed 2013 taxes to be eligible for participation in 2014) – reasonable accommodation will be made for applicants who have not filed prior to an application being submitted;
- have Adjusted Family Net Income (AFNI) below Household Income Limits (HILs), (the HILs are based on household composition/bedroom type); and
- not be receiving rent-geared-to-income (RGI) rent subsidy; and not own a home suitable for year-round occupation.

Program Administration

Drawing on the proven program delivery model in place for the Toronto Transitional Housing Allowance Program (TTHAP), staff will explore the feasibility of administering the housing allowance program through a partnership with the Ministry of Finance

Administration of the housing allowance using this partnership delivery model would allow the City to leverage existing policies and procedures established for TTHAP, make use of an automated benefit management system utilizing Canada Revenue Agency data, and implement a responsive and accountable issues resolution process for clients.

Based on a preliminary analysis, it is anticipated that the administrative costs of the partnership delivery model would be accommodated within 10% of total program expenditures. This programming is contingent on an agreement being in place for the administration.

Three Target Groups

1. At-Risk Seniors Transitioning from Ontario Works (TESS)

- Households referred by Toronto Employment and Social Services staff.
- 50% of the funding allocation will be made available to households in this target group. At the projected funding level, up to 130 households will be served at a benefit level of \$400/month.
 - Description: This target group includes seniors who are currently receiving Ontario Works (OW) support and are anticipated to transition to Old Age Security (OAS) within 3 years. The objective of this target group is to help to stabilize recipients' housing situations in the intervening years with the goal of preventing homelessness.

Additionally, households referred under this target group will be evenly distributed across TESS' 5 districts (north, south, central, east and west).

- **Participant Identification:** TESS staff will identify current OW recipients who are
 - between the ages of 62 and 64 at program commencement;
 - anticipated to be eligible for OAS at the age of 65; and
 - spending at least 70% of income on housing costs.
- **Rationale:** Social assistance rates set by the province no longer reflect even the most basic cost of living in Toronto. OW rates have effectively decreased by more than half the level provided in 1994, and now provide income support equivalent to just 60% of the poverty level (as defined by the Low Income Cut Off established by Statistics Canada). The challenges posed by insufficient income support are particularly acute for seniors who face increased costs associated with health care and medical expenses, simultaneous with diminished prospects for sustainable employment income.
- Furthermore, results from the recently completed 2013 Street Needs Assessment demonstrate that the incidence of homelessness among seniors in Toronto (ages 61 and above) has more than doubled since 2009 – from 4.7% to 10%. Given the trend towards aging in the general population, it is unlikely that this will be reversed without active policy intervention.

2. Aging Population in the Shelter System (SSHA, Hostel Services)

- Households referred by Hostels Services staff, Shelter Support and Housing Administration.
- 25% of the funding allocation will be made available to households in this target group. At the projected funding level, up to 65 households will be served, at a benefit level of \$400/month.
- **Description:** The target group includes aging adults who are currently homeless or at risk of becoming homelessness, and who have interacted with the City's shelter system. The objective is to provide housing stabilization early to prevent homelessness and/or reduce the length of homelessness among this vulnerable population.
- **Participant Identification:** At shelter system access points, Hostels Services staff will conduct an assessment to identify individuals who are
 - aged 51 and over;
 - currently homeless (i.e., staying in a shelter) or are at imminent risk of homelessness; and
 - have a complete and active application for rent-g geared-to-income (RGI) housing with Housing Connections.
- In addition to this assessment, Hostels Services staff will conduct outreach to ensure equitable access to Aboriginal-identified individuals and veterans.
- **Rationale:** The 2013 Street Needs Assessment results indicate that from 2009 to 2013 there were significant changes in the age composition of Toronto's homeless population. Those aged 51 and above now represent 29% of the total homeless population, compared to 20% four years ago. This trend is particularly pronounced in the shelter system, with those aged 51 and above representing 45% of the single men's and 34 % of the single women's shelter populations.

3. Individuals Experiencing Chronic Outdoor Homelessness (SSHA, Streets to Homes)

- Households referred by Streets to Homes, Shelter Support and Housing Administration.
- 25% of the funding allocation will be made available to households in this target group. At the projected funding level, up to 65 households will be served, at a benefit level of \$400/month.
- Description: This target group includes individuals who are currently homeless, with a history of repetitive street involvement and with multiple/concurrent service barriers (e.g., mental health issues, medication management, substance abuse). Particular emphasis will be placed on supporting clients that have a long-term case history with the City's Streets to Homes program, including intensive use of program resources. The intent is to provide bridging support to this target group, with the long term objective of securing an offer of rent-geared-to-income housing or accessing other housing solutions.
- Participant Identification: Street to Homes staff will identify individuals who are
 - currently homeless, including those that are living outdoors and staying in the shelter system;
 - have a prior case history with the Streets to Homes program of at least 4 years; and
 - have a complete and active application for rent-geared-to-income (RGI) housing with Housing Connections and, as appropriate, the Coordinated Access to Supportive Housing (CASH) system.
- Rationale: The 2013 Street Needs Assessment indicated a 24% increase in the incidence of street homelessness from 2009, with an estimated 447 individuals sleeping outdoors on the night of the survey. However, this represents only a portion of Toronto's street involved population, as 40% of all survey respondents (including those sheltered on April 17th) indicated that they had spent at least one night outdoors during the preceding 6 months.
- According to the results of the Street Needs Assessment, Streets to Homes staff have had recent contact with approximately one third of Toronto's street involved population, but for many different reasons have yet to achieve housing stability for these individuals. The new housing allowance program would allow support workers to provide a housing benefit in conjunction with other support services to clients with complex needs. In addition, the provision of housing allowances to this target group will open up a broader range of market housing options for Streets to Homes clients.

Table 3: Summary of Housing Allowance Target Groups

Target Group	Number of Households Served	Benefit Level
At-Risk Seniors Transitioning from OW	Up to 130	\$400/month
Aging Population in the Shelter System	Up to 65	\$400/month
Individuals Experiencing Chronic Street Homelessness	Up to 65	\$400/month

Concluding Remarks

In addition to the program rationale outlined above, the new housing allowance program aligns with a number of Council priorities including increasing the number of housing allowances for vulnerable Toronto residents, as outlined in Housing Opportunities Toronto: An Affordable Housing Action Plan, 2010-2020, and the Toronto Seniors Strategy, which recommends that the City take steps to increase older Torontonians' access to affordable housing.

If approved, the housing allowance program will commence in 2014 and run until 2017. TESS and SSHA are committed to implementing the program in accordance with the criteria described above, to provide fair and equitable treatment of all households in need, and to ensuring that all appropriate financial monitoring and accountability measures are in place.

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ATTACHMENTS

Appendix A: Housing Allowance Reserve

Appendix B: Communication Improvements & Revised Eligibility Criteria

Appendix A: Housing Allowance Reserve

1. Location Within the Consolidated Reserves/Reserve Funds Schedule:

This account will be included in Schedule #1 – Corporate Reserves.

2. Statement of Purpose

The reserve holds housing allowance funding for individuals at risk of homelessness.

3. Service Area or Beneficiary Program

The General Manager, Shelter, Support and Housing Administration shall have primary responsibility for the account.

4. Initial Contribution

Funding to be provided by a one-time contribution of \$3.7 million from the 2013 Hostel Services Operating Base Budget.

5. Contribution Policy

Funding for the housing allowance program is a one-time contribution.

6. Withdrawal Policy

No special notification is required, other than through the normal operating budget process.

7. Review Cycle

This is a time-limited fund, with no ongoing contribution commitments. It is anticipated that the fund will be closed at the end of 2017.

Appendix B: Communication Improvements & Revised Eligibility Criteria for HSF

Communication Improvements

- A Q&A document in plain language was created and prepared for community partners and the public and posted on the City of Toronto external website. This document outlined the new criteria for HSF.
- A Q&A document was created and prepared for staff and posted on the TESS intranet website.
- 16 agencies received HSF Presentations & Information Sessions.
- 20 Presentations were given to ODSP staff.
- Letters communicating the change in fund amounts for furniture were sent to all OW and ODSP clients who have received funds for furniture indicating that they may be eligible for additional funds as the result of this change.
- An insert promoting the HSF was sent to clients with their monthly Change of Information by Applicant (CIA) / Income Reporting Statement (IRS) forms in early April 2013.

Revised Eligibility Criteria

- A new target group for HSF was added: clients moving to significantly improve their housing stability (e.g. reduced rent, improved living accommodations, etc).
- Clients can receive HSF up to the maximum issuance once in 2013.
- Removal of the criteria related to having received CSUMB in the previous 24 months
- The amount people can obtain for furniture was doubled and available in addition to the funds for eviction, arrears, etc.
- Institutional stay requirements were removed.
- Recognizing, with respect to the funds provided for last month's rent, the actual rental amounts in Toronto.