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2014 OPERATING BUDGET BRIEFING NOTE

New Bed to Achieve 90% Occupancy

Issue

On December 4, 2013 the Community Development and Recreation Committee (CDRC) considered report CD25.11, "Update on Shelter Occupancy and the Quality Assurance Review of Shelter Access Systems. "

On the same date, the following motion was adopted by the Committee:

"Requested the Budget Committee, as part of the 2014 budget review process, to include necessary resources to increase access to shelter beds so that shelter capacity does not exceed 90% in any category of shelter (i.e. women's, men's, co-ed and family); and further requested the General Manager, Shelter, Support and Housing Administration to develop a rapid deployment strategy that can be quickly implemented if the 90% standard is not achieved in any sector".

It is likely that the motion will be before Budget Committee on the day of Budget Wrap-Up which is scheduled for December 20th, 2013. This briefing note outlines the costs associated with compliance to the above motion.

Key Points

Occupancy Pressures

As reported in the 2014 Shelter, Support and Housing Administration (SSHA) Operating Analyst Notes, the following table details the estimated shelter occupancy by sector:

Table 1

Hostel Description	Bednight Volume							
	2012	2013				2014		
	Actuals	Budget	Projected Bednights (1)	Capacity (2)	Projected Occupancy %	Budgeted Bednights	Capacity (3)	Projected Occupancy %
a	b	c	d	e=c/d	f	g	h=f/g	
Coed Shelters	122,622	120,710	123,738	125,925	98.3%	123,032	127,020	96.9%
Family Shelters	338,559	308,443	343,674	421,940	81.5%	324,981	421,940	77.0%
Men Shelters	560,337	545,484	559,576	595,336	94.0%	558,704	595,680	93.8%
Seasonal Shelters	27,282	28,987	48,094	63,780	75.4%	55,939	70,840	79.0%
Women Shelters	191,139	188,104	195,381	197,672	98.8%	196,061	201,525	97.3%
Youth Shelters	178,893	174,022	171,320	193,085	88.7%	179,726	193,085	93.1%
TOTAL (DOS & POS)	1,418,832	1,365,750	1,441,783	1,597,738	90.2%	1,438,443	1,610,090	89.3%

Notes:

- (1) Projected year-end actual bednights as of September 30, 2013
- (2) Includes 172 flex beds from April 12, 2013 and 30-bed women shelter in POS from November 15, 2013
- (3) Includes 30-bed women shelter in POS from July 1, 2014

Overall, at 89.3% the estimated shelter occupancy maintains an average occupancy rate less than 90%.

The request from CDRC to the Budget Committee is to increase the budget of SSHA in such a way that all sectors uniformly achieve an occupancy rate of 90%. To achieve such a target, SSHA would need to add 45 women's beds, 69 men's beds, 27 co-ed beds, and 18 youth beds at a net operating cost of \$4.5 million. Appendix A attached calculates the annual cost impact starting with the base bednights before the new and enhanced business cases.

The main obstacle to adding more beds to the system is finding suitable space which meets shelter standards. The \$4.5 million highlighted above is purely operating dollars and assumes the new beds could be accommodated within the existing shelter space or a community based operator could provide new space. Not factored into the analysis is the capital impact of building new shelters or expanding old ones. Given the current dearth of usable facilities, the true financial impact could multiply into the tens of millions if the City has to build shelters or grant money to external providers to build or lease new shelter space.

It is important to note that an investment of \$4.5 million can be used in other ways to help reduce occupancy pressure. For instance it could be used for housing allowances which, potentially, could help more people and free up more beds. The following bullets outline some possible outcomes of a \$4.5 million investment.

What can \$4.5 million provide?

- **159 Shelter Beds**
 - Serves approximately 620 households per year

- Annual cost of \$28,300 per bed
- Reduces occupancy level to 90% across all sectors
- **937 Housing Allowances**
 - At \$400 per household, serves 937 households per year
 - Annual cost of \$4,800 per household
 - Provides people with permanent housing

Actions Underway

Report CD25.11 highlighted a number of short term actions which are being implemented to help occupancy pressures, such as:

(a) Flex Beds

At its meeting of April 3 and 4, 2013, Council directed SSHA to open all flex beds in an effort to temporarily increase the capacity of the shelter system and alleviate demand pressures. In April 2013, SSHA opened up all 172 flex beds for regular emergency shelter use and has monitored the use of these beds since then. As a result of the addition of these beds to the regular emergency shelter beds, the occupancy rate of permanent shelter beds has fallen.

The 2014 budget includes a \$1.49 million business case to continue the use of the 172 flex beds all year round until such time that a more permanent solution can be found. Using flex beds as a means to reduce occupancy increases the risk of not having enough beds during periods of colder weather. The flex beds are now being used as a substitute for permanent beds. Flex beds were intended to be the City's reserve beds activated when and if needed during colder months. By tapping into the flex beds permanently the City risks not being adequately prepared for seasonal periods of higher use. The cost to restore the flex beds back to their original purpose, which is not included in the 2014 budget, would be roughly another \$1.5 M, activated when necessary over a 5 to 6 month time frame.

(b) Additional Bed Spaces in Existing Shelters

In June 2013, SSHA contacted all current purchase-of-service shelter providers to request their assistance in providing additional capacity both within current shelter locations and to identify any potential alternative locations that could be utilized as a shelter. No new locations were identified as a result of this outreach. However, approximately 30 additional shelter beds in existing shelter locations have been added to the system. These spaces are within existing locations with eight beds in the women's sector, 14 in the men's sector, and 8 additional beds for single refugees. These beds were made available over a number of weeks and all were due to be activated by December 1, 2013.

(c) Additional Shelter Sites

SSHA issued a Request for Expressions of Interest (REOI) in November 2013 to secure a permanent site for a shelter of 30 to 50 beds for women. The REOI seeks not for profit proponents to come forward with an appropriate service plan and suitable shelter property.

(d) Expanded use of Motels

SSHA currently uses three motels to house families that cannot be accommodated within the family sector of the shelter system. In 2012, there were on average 350 beds available in this motel program. Beginning in December 2013, the program will be expanded to include the use of these beds for some singles, couples and other family configurations. It is expected that this action will ease occupancy pressures and allow for improved access for these client groups.

The actions listed above are still in their infancy, the benefits of which have not yet been fully realized. In addition, as can be seen in table 1, there is an opportunity to realign some resources from those shelters below the 90% threshold to those that are above the 90% threshold. For example the family sector is well below 90%, it may be possible to realign some resources dedicated to that sector to help alleviate the pressures in other sectors.

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Appendix A

Hostel Description	Bednight Volume						Additional Capacity Required to Achieve 90%	Additional Beds Required	Occupancy	Average Per Diem	Annual Cost
	2014 Recommended Operating Budget										
	Base Bednights Before New & Enhanced	Base Capacity	Projected Occupancy %	Budgeted Bednights with New & Enhanced	Capacity	Projected Occupancy %					
a	b	c=a/b	d	e	f=d/e	g	h=g/365	i=d/(g+e)	j	k=g*j	
Coed Shelters	123,032	127,020	96.9%	123,032	127,020	96.9%	9,714	27	90.0%	\$71.85	\$697,951
Family Shelters	324,981	421,940	77.0%	324,981	421,940	77.0%	NA	NA	NA	NA	NA
Men Shelters	558,704	595,680	93.8%	558,704	595,680	93.8%	25,092	69	90.0%	\$77.15	\$1,935,848
Seasonal Shelters	28,987	34,740	83.4%	55,939	70,840	79.0%	NA	NA	NA	NA	NA
Women Shelters	190,541	196,005	97.2%	196,061	201,525	97.3%	16,439	45	90.0%	\$87.99	\$1,446,468
Youth Shelters	179,726	193,085	93.1%	179,726	193,085	93.1%	6,700	18	90.0%	\$59.73	\$400,191
TOTAL	1,405,971	1,568,470	89.6%	1,438,443	1,610,090	89.3%	57,945	159	86.2%	\$77.32	\$4,480,457

	2012 BUDGET	2012 ACTUALS	2013									2014						BUDGET OCCUPANCY 2014 VS 2013 Inc/(Dec) t=o-f	BUDGET OCCUPANCY 2014 VS 2013 % Inc/(Dec) u=t/f		
			PROJECTED ACTUAL OCCUPANCY			BUDGET OCCUPANCY	CAPACITY				CAPACITY VS PROJ ACTUAL OCCUPANCY	CAPACITY VS BUDGET OCCUPANCY	BUDGET OCCUPANCY			CAPACITY				CAPACITY VS BUDGET OCCUPANCY	
			Y-End Proj Actuals @ Sep30,2013	30-bed Women Shelter fr Nov 15, 2013	Adjted Y-End Proj Actuals @ Sep30,2013		2013 Capacity	172 flex beds from Apr12,2013 or 264 d	30-bed Women Shelter from Nov15,2013	Adjusted 2013 Capacity			2014 Budget Occupancy	30-bed Women Shelter fr Jul 1, 2014	Adjusted 2014 Budget Occupancy	2014 Capacity	30-bed Women Shelter fr Jul 1, 2014				Adjusted 2014 Capacity
a	b	c	d	e=c+d	f	g	h	i	j=g+h+i	k=e/j	l=f/j	m	n	o=m+n	p	q	r=p+q	s=o/r			
Seaton House	228,200	241,974	242,508		242,508	220,855	248,565	14,256		262,821	92.3%	84.0%	237,280		237,280	268,640		268,640	88.3%	16,425	7.4%
Women's Residence	37,170	39,041	40,462		40,462	37,712	41,245	2,112		43,357	93.3%	87.0%	37,903		37,903	41,245		41,245	91.9%	191	0.5%
Robertson House	32,000	30,770	33,364		33,364	28,900	32,850			32,850	101.6%	88.0%	32,260		32,260	32,850		32,850	98.2%	3,360	11.6%
Hostels	45,625	42,336	45,539		45,539	40,150	54,750			54,750	83.2%	73.3%	45,625		45,625	54,750		54,750	83.3%	5,475	13.6%
Motels	45,625	53,817	55,734		55,734	29,200	109,500			109,500	50.9%	26.7%	36,500		36,500	109,500		109,500	33.3%	7,300	25.0%
Family Residence	91,250	96,153	101,273		101,273	69,350	164,250			164,250	61.7%	42.2%	82,125		82,125	164,250		164,250	50.0%	12,775	18.4%
Hostels	52,785	50,536	55,157		55,157	48,030	58,400			58,400	94.4%	82.2%	51,100		51,100	58,400		58,400	87.5%	3,070	6.4%
Motels	20,855	21,281	13,879		13,879	20,506	18,250			18,250	76.0%	112.4%	19,387		19,387	18,250		18,250	106.2%	-1,119	(5.5%)
Birkdale Residence	73,640	71,817	69,036		69,036	68,536	76,650			76,650	90.1%	89.4%	70,487		70,487	76,650		76,650	92.0%	1,951	2.8%
SHARC/129 Peter Street	14,235	15,183	16,510		16,510	13,750	17,155			17,155	96.2%	80.2%	15,780		15,780	18,250		18,250	86.5%	2,030	14.8%
Total DOS	476,495	494,938	503,153	0	503,153	439,103	580,715	16,368	0	597,083	84.3%	73.5%	475,835	0	475,835	601,885	0	601,885	79.1%	36,732	8.4%
Coed	108,069	107,439	107,228		107,228	106,960	108,770			108,770	98.6%	98.3%	107,252		107,252	108,770		108,770	98.6%	292	0.3%
Family	144,129	139,819	140,001		140,001	141,657	148,190			148,190	94.5%	95.6%	140,109		140,109	148,190		148,190	94.5%	-1,548	(1.1%)
Men	332,515	318,363	317,068		317,068	324,629	332,515			332,515	95.4%	97.6%	321,424		321,424	327,040		327,040	98.3%	-3,205	(1.0%)
Seasonal	28,501	27,282	48,094		48,094	28,987	34,740	29,040		63,780	75.4%	45.4%	55,939		55,939	70,840		70,840	79.0%	26,952	93.0%
Women	150,162	152,098	153,539	1,380	154,919	150,392	152,935		1,380	154,315	100.4%	97.5%	152,638	5,520	158,158	154,760	5,520	160,280	98.7%	7,766	5.2%
Youth	167,051	178,893	171,320		171,320	174,022	193,085			193,085	88.7%	90.1%	179,726		179,726	193,085		193,085	93.1%	5,704	3.3%
Total POS	930,427	923,894	937,250	1,380	938,630	926,647	970,235	29,040	1,380	1,000,655	93.8%	92.6%	957,088	5,520	962,608	1,002,685	5,520	1,008,205	95.5%	35,961	3.9%
Grand Total DOS + POS	1,406,922	1,418,832	1,440,403	1,380	1,441,783	1,365,750	1,550,950	45,408	1,380	1,597,738	90.2%	85.5%	1,432,923	5,520	1,438,443	1,604,570	5,520	1,610,090	89.3%	72,693	5.3%

BY SECTOR	2012 BUDGET	2012 ACTUALS	2013 PROJECTED ACTUAL OCCUPANCY	2013 BUDGET OCCUPANCY	2013 CAPACITY	2013 CAPACITY VS PROJ ACTUAL OCCUPANCY	2013 CAPACITY VS BUDGET OCCUPANCY	2014 BUDGET OCCUPANCY	2014 CAPACITY	2014 CAPACITY VS PROJ ACTUAL OCCUPANCY	2014 CAPACITY VS BUDGET OCCUPANCY	2014 BUDGET OCCUPANCY	2014 CAPACITY	2014 CAPACITY VS PROJ ACTUAL OCCUPANCY	2014 CAPACITY VS BUDGET OCCUPANCY	BUDGET OCCUPANCY 2014 VS 2013 Inc/(Dec) t=o-f	BUDGET OCCUPANCY 2014 VS 2013 % Inc/(Dec) u=t/f				
Coed	122,304	122,622	123,738	0	123,738	120,710	125,925	0	0	125,925	98.3%	95.9%	123,032	0	123,032	127,020	0	127,020	96.9%	2,322	1.9%
Family	341,019	338,559	343,674	0	343,674	308,443	421,940	0	0	421,940	81.5%	73.1%	324,981	0	324,981	421,940	0	421,940	77.0%	16,538	5.4%
Men	560,715	560,337	559,576	0	559,576	545,484	581,080	14,256	0	595,336	94.0%	91.6%	558,704	0	558,704	595,680	0	595,680	93.8%	13,220	2.4%
Seasonal	28,501	27,282	48,094	0	48,094	28,987	34,740	29,040	0	63,780	75.4%	45.4%	55,939	0	55,939	70,840	0	70,840	79.0%	26,952	93.0%
Women	187,332	191,139	194,001	1,380	195,381	188,104	194,180	2,112	1,380	197,672	98.8%	95.2%	190,541	5,520	196,061	196,005	5,520	201,525	97.3%	7,957	4.2%
Youth	167,051	178,893	171,320	0	171,320	174,022	193,085	0	0	193,085	88.7%	90.1%	179,726	0	179,726	193,085	0	193,085	93.1%	5,704	3.3%
Total DOS + POS	1,406,922	1,418,832	1,440,403	1,380	1,441,783	1,365,750	1,550,950	45,408	1,380	1,597,738	90.2%	85.5%	1,432,923	5,520	1,438,443	1,604,570	5,520	1,610,090	89.3%	72,693	5.3%

over the 90% threshold