Implementing the Housing Stabilization Fund: Update on Progress to Date

<table>
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<tr>
<th>Date:</th>
<th>April 5, 2013</th>
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<tbody>
<tr>
<td>To:</td>
<td>Community Development and Recreation Committee</td>
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</table>
| From:       | Acting General Manager, Employment & Social Services  
Acting General Manager, Shelter, Support & Housing Administration |
| Wards:      | All |
| Reference Number: | |

**SUMMARY**

This report provides an update on the implementation of the Housing Stabilization Fund (HSF) during the first quarter of 2013. Council previously directed the use of Community Homelessness Prevention Initiative (CHPI) funding to establish the Housing Stabilization Fund. The HSF assists Ontario Works (OW) and Ontario Disability Support Program (ODSP) clients to obtain and/or retain their housing or relocate to more appropriate or affordable accommodation. The HSF was established with fewer resources and a funding cap, in contrast to the open-ended, cost-shared nature of the Community Start-up and Maintenance Benefit (CSUMB). As a result of the significant changes resulting from the creation of CHPI and the end of CSUMB it was understood that 2013 would be a transitional year and HSF would be modified based on experience.

Within this context, this report describes the implementation of the HSF, including establishing eligibility criteria, promoting awareness and measuring outcomes. It also briefly discusses the steps that Toronto Employment & Social Services (TESS) and Shelter, Support & Housing Administration (SSHA) are taking to implement related changes to the Ontario Works Act, notably the transition from the Personal Needs Allowance (PNA) to receipt of the Basic Needs Allowance (BNA) for residents utilizing emergency shelter beds who are eligible for Ontario Works.

The report next describes TESS' initial experience with HSF based on the first quarter of 2013. Finally, the report outlines the steps that TESS has taken and will take to modify HSF to better meet the needs of clients and to consider alternatives to more effectively meet housing needs. Taken together, it is anticipated that these changes will increase the take up of HSF.
TESS will continue to closely monitor the impacts and effectiveness of these changes and make further modifications as required to ensure that the housing and homelessness prevention needs of residents on social assistance are met.

RECOMMENDATIONS

The Acting General Managers of Toronto Employment and Social Services and Shelter, Support and Housing Administration recommend that:

1. City Council direct the General Managers of SSHA and TESS to provide details on a housing allowance through the use of unallocated HSF funds, as well as an update on the take up and expenditures for the Housing Stabilization Fund, in a report to the September 2013 meeting of the Community Development and Recreation Committee.

Financial Impact

There is no financial impact associated with this report. Funding for the Housing Stabilization Fund (HSF) is provided in the 2013 Operating Budget for Toronto Employment & Social Services (TESS).

Future year financial implications will be discussed in the recommended report to be forwarded to CDRC in September 2013, and through the City's 2014 budget process.

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

Equity Impact

Reductions in provincial funding for services to low-income Torontonians, many of whom are from equity seeking groups, will reduce services to these groups. This report discusses approaches to utilizing CHPI funding through the Housing Stabilization Fund to assist with housing, prevent evictions and assist OW and ODSP clients to retain their housing or relocate to more appropriate or affordable accommodation.

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](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 Program”
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.


**ISSUE BACKGROUND**

As the following announcements and actions demonstrate, the past year has been one of considerable change in the area of housing and homelessness prevention services:

- Through the 2012 budget, the Province eliminated the *Community Start-Up and Maintenance Benefit (CSUMB)* program, effective January 1, 2013. The Province announced that 50% of the funding previously allocated to CSUMB in Ontario would be included in the new provincial CHPI. This represented a province-wide funding reduction of more than $60 million for Ontario’s most vulnerable households. Overall, the City experienced a reduction of $14.6 million in provincial funding, primarily due to the elimination of CSUMB.

- In July 2012, the City of Toronto was advised that beginning on January 1, 2013, the provincial government was introducing the first phase of its housing program consolidation, the *Community Homelessness Prevention Initiative (CHPI)*, under the Long-Term Affordable Housing Strategy. Under this new program, the City would receive an annual funding allocation of $96.4 million that reflected the consolidation of a range of provincial funding streams for Housing and Homelessness supports, with the required to develop local plans to allocate these funds.

- The City’s response to these changes was described in *Changes to Provincial Funding Approaches for Homeless Prevention and Social Assistance Programs: Implementation Strategies and Issues*, a joint report by Shelter, Support & Housing Administration and Toronto Employment & Social Services. The report noted that a long-term strategic plan for 2014 and beyond would be developed for the consideration of Council in 2013. In the interim, a *Housing Stabilization Fund (HSF)* would be implemented and would evolve based on experience.

- On December 27, 2012, the Province through the Ministry of Community and Social Services (MCSS), announced a *One-time Grant Funding to Support the Transition to the Community Homelessness Prevention Initiative (CHPI)*. MCSS would provide an additional $42 million for the period January 2013 to March 2014 to Ontario municipal service managers, with Toronto's allocation $12.3 million gross/0 net ($9.8 million in 2013, $2.5 million in 2014). Consistent with previous announcements, municipalities were provided with flexibility to allocate these funds to address local needs with respect to housing and homelessness related supports. In 2013, TESS will apply $6.8 million of the one-time funding to the HSF. SSHA will
apply up to $3 million of the one-time funding in 2013 to mitigate the impacts of changes impacting emergency shelters and their clients and address any budgetary overflow resulting from the cap in provincial funding. There is no indication that this onetime funding will be repeated.

COMMENTS

The CSUMB helped homeless individuals and families on social assistance to move into housing (e.g. pay the last months’ rent deposit and moving costs), reduce evictions (e.g. by helping with rent arrears), and address other types of emergencies affecting housing stability (such as replacing furnishings). As a benefit under OW and ODSP, CSUMB was available based on applicable eligibility criteria. An estimated 49,000 households in receipt of OW and ODSP in Toronto were assisted in 2012.

With the elimination of CSUMB, vulnerable residents lost access to a long-standing, well-known and widely understood financial benefit. Provincial communications were very effective in ensuring that clients and community organizations were aware that CSUMB was ending and that the support it provided would no longer be available through social assistance programs.

The City of Toronto responded to the elimination of CSUMB by establishing the HSF, which became effective on January 1, 2013. Using CHPI funding and consistent with the objectives of that program, HSF provides resources to prevent evictions and assist OW and ODSP clients to obtain housing, retain their housing or relocate to more appropriate or affordable accommodation. ODSP clients who formerly received CSUMB now receive assistance through HSF.

Given this context, two primary issues have shaped the development of the Housing Stabilization Fund:

1: The fund had to be established with fewer resources and a funding cap, in contrast to the open-ended, cost-shared nature of CSUMB.

2: Extensive outreach and communication was required to increase awareness that HSF represented the continuation of a fund to support housing related needs.

Against this background, this report provides an update on the implementation of the HSF during the first quarter of 2013 through the following three sections:

- Section A details the steps that TESS has taken to implement HSF. It also includes a brief description of the change from a Personal Needs Allowance to a Basic Needs Allowance for residents utilizing emergency shelter beds.
- Section B describes TESS' initial experience with HSF based on the first quarter of 2013.
• Section C outlines the steps that TESS has taken and will take to modify HSF to better meet the needs of clients and to consider other alternatives to more effectively meet their housing needs.

A: Implementing the Housing Stabilization Fund

This section describes the steps taken to support the implementation of the HSF.

Establishing Criteria for the Housing Stabilization Fund

Given the well-established context of inadequate social assistance benefits and high housing costs, the CSUMB played an important role in addressing the housing and homelessness prevention needs of local residents in receipt of social assistance.

As per the October 2012 report to Council, a portion of CHPI funding was allocated to create the Housing Stabilization Fund to support the housing needs of residents in receipt of social assistance. However, because the funding available for HSF was both lower than the amount available under CSUMB and capped, and because the client base was expanded to include ODSP, HSF was not intended as a direct replacement for CSUMB.

In designing HSF, TESS was also constrained by the lack of data collection capability in the current provincial Service Delivery Model Technology. As a result, initial modeling scenarios for HSF were limited to the number and amounts issued in previous years for the former CSUMB.

Consequently, TESS developed eligibility criteria based on available funding and data. HSF was designed to target funds to high-need households, based on meeting specific eligibility criteria. However, again reflecting the understanding that 2013 was a transitional year, it was understood that ongoing refinements to HSF would be undertaken based on close monitoring of initial uptake.

External Outreach and Communication

Significant outreach and communication were undertaken to ensure that external stakeholders were engaged and that feedback informed TESS’ approach. These actions included:

• Developing training/orientation materials for external groups;
• Meeting with and making presentations to community organizations, including legal clinics, as well as Emergency Hostels and Purchase of Service Hostels, to discuss the impact of changes;
• Developing communication tools with feedback from community organizations;
• Meeting with ODSP staff to provide information regarding a referral process for ODSP clients to TESS; and
• Information on the changes was recently mailed to all OW clients (see Attachment 1).
In addition, to inform the development of HSF, TESS staff engaged with peers in other municipalities and regions, including London, Kingston, Ottawa and Peel.

**Internal Training and Communication**

An internal communications and training strategy was developed which consisted of the following elements:

- Developing and conducting appropriate staff training (including training for a HSF specialist at each TESS field location);
- Communicating the changes to a broad range of TESS and City staff; and
- Posting Intranet and Internet content describing the HSF Benefit and Procedures.

**Measuring and Monitoring**

TESS has taken steps to measure and monitor how effectively HSF is being implemented. Various statistics that reflect key information related to the use of HSF is being recorded and tracked, including:

- Number of applicants;
- Number of eligible applicants;
- Reasons for applications; and
- Amounts issued for eligible applicants.

As well as measuring and monitoring the initial uptake of HSF, TESS continues to engage with others, notably ODSP, to discuss emerging issues.

**From Personal Needs Allowance to Basic Needs Allowance**

At the same time as the changes described earlier were introduced, the Province also made changes to the *Ontario Works Act*. Previously, shelter clients were eligible to receive a PNA of $4.40 per day. Regulations for provision of PNA were set out in accordance with the *Ontario Works Act*. With emergency hostel funding no longer part of Ontario Works, the Province issued a directive stating that, effective January 1, 2013, households staying in emergency shelter funded through CHPI would now be entitled to apply for BNA.

In the fall of 2012, SSHA and TESS created an interdivisional implementation committee to manage the transition from PNA to BNA and to monitor its impacts. This collaborative approach has supported an effective implementation process.

Experience to date indicates there have been a number of benefits from these changes, as follows:

- Shelter clients who are deemed eligible for BNA under OW now have access to all benefits provided under OW;
• Use of Direct Bank Deposit and City Services Benefit Card reduces vulnerability of residents in carrying cash and supports financial literacy;
• Employment services have been enhanced for shelter residents through awareness of Employment Centres, programs and supports attached to a service plan; and
• Shelter operators, particularly at larger sites, are no longer required to manage large amounts of cash to perform PNA issuances on a weekly basis. This is both an administrative efficiency for them and a safety improvement and staff are now able to devote time to client issues as opposed to supervising payout lines.

At the same time, consultation between shelters, SSHA and TESS has identified a number of issues, especially with respect to the following populations:

• Families where the parent may not be eligible for OW due to their immigration status but where there are Canadian born children;
• Residents who for a variety of reasons are not choosing to apply for OW; and
• Larger families who as a result of the change are eligible for less money.

Moving forward, TESS and SSHA will work to address these issues as follows. First, in cases where shelters are providing in-kind issuances to clients, SSHA is working with individual shelters to track associated costs, in order to assist shelter operators through the use of the one-time $3.0 million in funding that was approved by Council at its January 13-14 meeting, to support transition related expenditures.

Second, issues which are policy-related or legislative in nature will be raised as part of the consultation process to develop a City Housing Stabilization Service Plan. Through this process, various options and recommendations for change will be identified.

**B: Housing Stabilization Fund - Experience to Date, First Quarter 2013**

Table 1 provides an overview of HSF take-up, expenditures and other relevant client data for the 1st quarter of 2013. During the first quarter of 2013, approximately 4,650 applications were submitted for HSF, with 3,520 cases receiving assistance through the fund, largely to pay last month’s rent when relocating and to purchase necessary furniture when establishing a residence. Approximately 75% of applications were from singles and couples, with 25% received from families with children. Based on HSF eligibility criteria, just over 1,100 cases were deemed ineligible. Changes to eligibility criteria discussed below will significantly increase eligibility rates.
Table 1: HSF Expenditures and Relevant Client Data, 1st Quarter 2013

<table>
<thead>
<tr>
<th>Applications/Outcomes</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>To Date</th>
</tr>
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<tbody>
<tr>
<td>Applications/Outcomes</td>
<td>1496</td>
<td>1489</td>
<td>1665</td>
<td>4650</td>
</tr>
<tr>
<td>Eligible</td>
<td>1051</td>
<td>1133</td>
<td>1336</td>
<td>3520</td>
</tr>
<tr>
<td>$ Issued</td>
<td>$454,000</td>
<td>$571,535</td>
<td>$711,082</td>
<td>$1,736,617</td>
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<table>
<thead>
<tr>
<th>Request Reasons</th>
<th>Totals</th>
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<tbody>
<tr>
<td>Last Months Rent</td>
<td>436</td>
</tr>
<tr>
<td>Furniture</td>
<td>494</td>
</tr>
<tr>
<td>Rental Arrears</td>
<td>96</td>
</tr>
<tr>
<td>Energy Arrears</td>
<td>25</td>
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Overall, the experience with HSF in the first quarter shows that:

- Although the take up of HSF is starting to increase, both demand for the fund and usage of it has been lower than anticipated based on the initial modelling that was conducted. Significantly, other municipalities have indicated that have also observed a reduction in the take up of the similar benefits they have introduced locally\(^1\).

- Based on initial modelling which drew on the experience with CSUMB, it was projected that HSF expenditures could be as high as $7.5 million for the first quarter. However, actual HSF take up is much less than estimated through the model and HSF expenditures were $1.8 million in the first quarter.

A number of factors may account for these initial HSF outcomes:

- In early 2012 the Province stated that the CSUMB benefit would be discontinued. This information was widely communicated throughout the year and was well known to the community at large. Various community organizations and advocacy groups communicated to their constituents to prepare for the change. The City was not provided with the final details of the Provincial guidelines for CHPI until late 2012. As a result, there was limited time to communicate the new HSF to residents and community organizations. Essentially, the amount of time and marketing of the end of CSUMB was significantly greater than that of the new HSF.

- Take-up of HSF among ODSP clients has been significantly lower than anticipated. There are ongoing discussions with the Regional ODSP Office regarding ways to improve the communication and uptake of the HSF for ODSP recipients. TESS has

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\(^1\) A communication from the Ministry of Municipal Affairs and Housing dated March 22, 2013 confirmed that service managers that had established funds similar to HSF to replace the previous CSUMB have not received the anticipated client take-up.
developed and implemented a streamlined process for ODSP referrals, which is being implemented by the Regional ODSP Office.

With 2013 a transitional year for all components of the CHPI, it was understood that HSF would need to be modified and fund criteria adjusted based on experience. TESS is altering HSF eligibility criteria in a number of ways, which are described in the next section. TESS continues to be committed to an approach that closely monitors and progressively modifies criteria to ensure that the needs of residents are being met.

The General Managers of SSHA and TESS will provide an update to the Community Development and Recreation Committee (CDRC) in September, 2013 on the take up and expenditures for the Housing Stabilization Fund to that point. We do not yet have sufficient information to forecast 2013 HSF expenditures. Additional experience with the new Fund will provide a better foundation for accurately forecasting 2013 year end expenditures in the September report provided to CDRC.

C: Housing Stabilization Fund – Next Steps

TESS is taking the following steps to respond to the issues it has identified that have limited the initial demand for and take up of the Housing Stabilization Fund.

Communication

TESS is continuing to take steps to promote increased awareness of HSF, including:

- Developing additional communication materials for use with clients in all TESS offices and Employment Centres and to distribute to community organizations;
- Ensuring that staff receive training on changes to the eligibility criteria for HSF; and
- Continuing to work with the Regional ODSP Office to increase the knowledge of both their staff and ODSP clients related to HSF.

Revised Eligibility Criteria

The revised eligibility criteria are listed below and detailed in attachment 2.

- Double the amount people can obtain for furniture (e.g. A single person could receive up to $800 to replace furniture damaged by flooding or bed bugs for example);
- Remove institutional stay requirements;
- Alter the criteria related to improvement of housing situation (e.g. Clients moving to significantly improve their housing stability);
- Remove all criteria with respect to the former CSUMB²; and

² Under the former CSUMB, social assistance recipients were eligible to receive benefits, based on need, once within a 24 month period. This criterion was initially retained with respect to receiving the HSF, in that clients were not eligible if they had received CSUMB within 24 months.
• Recognize, with respect to the funds provided for last months' rent, the actual rental amounts in Toronto.

Cases previously found ineligible will be reviewed to determine whether they may now be eligible to receive benefits through the HSF. Clients may also reapply where there is a need for housing stabilization supports.

Moving forward, staff will continue to closely monitor the HSF, building on the experience to date to ensure the HSF effectively meets the housing stabilization needs of social assistance recipients. Taken together, the changes described will continue to raise awareness of the HSF among social assistance recipients and community organizations, as well as ensure clients can obtain funds to secure, stabilize or improve their housing situations.

With these changes in place, HSF expenditures may still be less than initially forecast. At the same time, given the inability to precisely model the impact of changes in criteria, and given the capped budget for the Fund, there are clear risks if expenditures exceed the levels of funding that will be available in 2014. An opportunity exists to create additional housing allowances as a means of meeting the housing stabilization needs of social assistance recipients.

**Opportunity to Create Additional Housing Allowances**

The City must take steps to ensure that all funds currently allocated to the HSF are invested in supporting vulnerable households achieve and maintain housing stability. CHPI program guidelines provide Service Managers with flexibility to allocate funds within the CHPI funding envelope to local priorities that address and prevent homelessness.

In keeping with the principles of eviction prevention, housing affordability and stability that underpin the City's transformation of housing and homelessness services, the General Managers of SSHA and TESS will develop a housing allowance to reallocate unused 2013 HSF funding, as per Recommendation 1 of this report.

Under such an approach, unused 2013 HSF funds will be set aside, in a reserve fund, to be flowed as housing allowances over several years to assist homeless and vulnerable households with housing stabilization. Further details about the approach to developing such an allowance, and its main features, will be discussed in the report provided to CDRC in September 2013.

This would not affect future year allocations to the HSF and could also help take pressure off the emergency shelter system. It is also consistent with the principles that will underpin the housing stabilization service plan that staff will bring forward to Council in the fall of 2013.
Based on experience the City has with existing housing allowances, it is evident that such allowances can be a transitional support to assist households to improve their quality of life and achieve greater economic stability over the length of the program, without creating long-term dependence.

Housing allowances could also provide incentives for social assistance recipients to transition to employment by providing an additional bridge to greater stability by reducing the financial disincentive to move off benefits.

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**SIGNATURE**

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**ATTACHMENTS**

Attachment 1: Housing Stabilization Fund Insert  
Attachment 2: Housing Stabilization Fund Elements, Effective April 2013
The new Housing Stabilization Fund (HSF) was introduced in Toronto to meet the emergency housing needs of residents who receive assistance from Ontario Works or the Ontario Disability Support Program.

The Housing Stabilization Fund provides assistance to prevent eviction, obtain and retain affordable accommodation and assist with energy arrears.

Please speak to your caseworker to see if you are eligible for assistance through the Housing Stabilization Fund.

The Housing Stabilization Fund can assist with the following:

- last month's rent deposit
- rental arrears
- essential furniture
- energy arrears

If you need assistance with your emergency housing needs, or would like to get more information about this fund, your caseworker can provide you with more detailed information.

Please visit [toronto.ca/employmentandsocialservices](http://toronto.ca/employmentandsocialservices) for more information about the programs and services available at Toronto Employment & Social Services
Attachment 2: Housing Stabilization Fund (HSF) Elements, Effective April 2013

Changes based on experience to date are shown in bold

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<th>Eligibility Criteria</th>
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<tbody>
<tr>
<td>• OW and ODSP clients</td>
<td>• Total Income &amp; Assets taken into account when assessing HSF</td>
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<tr>
<td></td>
<td>eligibility</td>
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<table>
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<tr>
<th>Target Groups</th>
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<tbody>
<tr>
<td>• Clients in imminent danger of eviction</td>
<td>• Clients with energy cost arrears</td>
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<tr>
<td></td>
<td>• Clients fleeing domestic violence or imminent health hazards</td>
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<tr>
<td></td>
<td>• Homeless clients relocating to permanent housing from Emergency</td>
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<tr>
<td></td>
<td>Shelters or Streets to Homes</td>
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<tr>
<td></td>
<td>• Clients moving to significantly improve their housing stability</td>
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<td>(e.g. reduced rent, improved living accommodations etc.)</td>
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| Frequency of Issuance                                                               | Up to the maximum issuance once in 2013                          |

| Fund Allocation                                                                     | Last Month's Rent*, Rental**, and Energy Arrears:                |
| Amounts per family type                                                             | Based on family size and available income and assets, maximum   |
|                                                                                     | allocation are up to:                                            |
|                                                                                     | • $800.00 for single clients/couples                             |
|                                                                                     | • $1,000.00 for families with adult dependents                   |
|                                                                                     | • $1,500.00 for families with children                           |
|                                                                                     | *Actual Last Month's Rent based on affordability and Toronto     |
|                                                                                     | Market rent with the following maximums:                        |
|                                                                                     | • $800.00 for single clients/couples                             |
|                                                                                     | • $1,000.00 for families with adult dependents                   |
|                                                                                     | • $1,500.00 for families with children                           |
|                                                                                     | ** Actual rental arrears to a maximum of 2 month based on        |
|                                                                                     | sustainability of current address.                              |

| Household Furnishings:                                                               |                                                                 |
|                                                                                     | Additionally, based on need, family size, available income and  |
|                                                                                     | assets, maximum allocation are up to:                           |
|                                                                                     | • $800.00 for single clients/couples                             |
|                                                                                     | • $1000.00 for families with adult dependents                    |
|                                                                                     | • $1500.00 for families with children                            |