

Service Level Impact of the 2017 Service Adjustments to SSHA

Date: March 30, 2017

To: Community Development and Recreation Committee

From: Deputy City Manager, Cluster A and Deputy City Manager & Chief Financial Officer

Wards: All Wards

SUMMARY

On February 15, 2017 City Council adopted the 2017-2026 Capital Plan and Operating Budgets and directed the General Manager, Shelter, Support and Housing Administration (SSHA) to report back by April 30, 2017 on a detailed assessment of the service level impact of the 2017 service adjustments. This report responds to that request.

Additionally, Community Development and Recreation Committee (CDRC) at its meeting of March 2, 2017 directed that the General Manager, SSHA report back on the actions that are being taken to adhere to the 90 percent shelter occupancy standard, as a companion piece to the report requested by City Council.

As adopted, the 2017 Approved Operating Budget for SSHA included a reduction, largely in the Homeless and Housing First Solutions service area, of 10.3 positions with an estimated savings of \$1.048 million. There was no job loss associated with the reduction because the staff filling those roles were eligible for retirement. Once retired, the positions would be removed from SSHA's complement. Thus, the reduction would be accomplished through attrition.

The position deletions were put forward in early August 2016 to help achieve City Council's mandated across the board budget reduction target of minus 2.6%. Since that time, the City's shelter system has continued to face increased occupancy pressure primarily due to increased demand from refugees. In response, the program has added shelter beds and increased the availability of cold weather drop-ins over the winter period. Despite these additional services, there is still steady pressure on shelter capacity.

In the eight months since the 2017 operating budget submission, SSHA now has better information on 2017 rate forecasts for social housing including mortgage renewals, property tax rate increases, and the annual Provincial Cost Factor increases. The

program is therefore making the following recommendations as ways to save the \$1.048 million anticipated from the deletion of the 10.3 positions adopted by City Council so that they can continue to be deployed to support the growing need of the shelter system:

- \$268,000 from revised estimates on social housing mortgage renewal rates
- \$100,000 from revised estimates on social housing property tax rate increases
- \$50,000 from revised estimates on social housing Provincial Cost Factor increases; and
- \$629,800 in increased gapping for non-front line/administrative staff

If these recommendations are adopted by Council, SSHA will remain within its 2017 Approved Operating Budget with no impact to service levels and standards.

RECOMMENDATIONS

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

1. City Council approve an in-year budget adjustment to the 2017 Council Approved Shelter, Support and Housing Administration (SSHA) Operating Budget to increase the complement by 10.3 positions (from 789.1 to 799.4) and increase the salary and benefit budget by \$1,047,800, thereby reinstating the positions that were identified as part of the attrition service adjustment.
2. City Council approve an in-year budget adjustment to the 2017 Council approved SSHA Operating Budget to increase SSHA's gapping budget by \$629,800, to ensure front-line staff are available to meet higher occupancy demands.
3. City Council approve an in-year budget adjustment to reduce the Social Housing subsidy budget by \$418,000 for savings realized from mortgage interest rates, property tax rate and the Social Housing Cost Factor.

FINANCIAL IMPACT

Overall there is no financial impact on the 2017 approved budget associated with the recommendations contained in this report. The budget reduction of \$1.048 million would be achieved by increasing gapping by \$629,800 and reducing expenditures related to social housing subsidy expense by \$418,000 as follows:

Budget Item	Net Savings (\$)
Increase Divisional Gapping for current administrative staff vacancies	629,800
Savings from Social Housing Mortgage Renewals	268,000
Savings from lower than anticipated Social Housing Property Taxes	100,000
Savings from lower than anticipated Social Housing Annual Cost Factor increase	50,000
Total	1,047,800

These adjustments will enable a corresponding increase of 10.3 positions to the program's 2017 Approved Operating Budget as the positions associated with the attrition business case would be reinstated. SSHA's 2017 Approved Complement of 789.1 positions would increase to 799.4.

The Social Housing savings, \$418,000, would be a base budget change that would not have future year outlook impacts. However the additional gapping, \$629,800, is a temporary measure and may not be sustainable for the 2018 budget. Currently SSHA has 6 non-front line administrative vacancies that could be gapped for savings. The additional gapping would act as a bridging strategy to the 2018 budget process, which, at that time, SSHA will be reassessing all program areas.

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

EQUITY IMPACT STATEMENT

The emergency shelter system in Toronto serves equity-seeking groups such as seniors, people with disabilities, individuals with mental health issues, the working poor, Aboriginal peoples, people who identify as LGBTQ2S and other vulnerable groups. The effective integration of emergency shelters into neighbourhoods across the city is essential to providing services for a variety of equity seeking groups and is an important component of the City's efforts to address poverty.

DECISION HISTORY

At its meeting on February 15, 2017 City Council adopted EX22.2, "2017 Capital and Operating Budgets," where Council approved motion 25 directing the General Manager,

Shelter, Support and Housing Administration to report back by April 30, 2017 on the true service level impact of the 2017 service adjustments.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX22.2>

At its meeting on March 2, 2017, Community Development and Recreation Committee adopted CD.18.13, "Access to Shelter Beds," where Committee requested that the General Manager, Shelter, Support and Housing Administration, report to the April 13th, 2017 Community Development and Recreation Committee meeting, as part of the pending report on shelter staff capacity requested through the 2017 budget process, to advise on the actions that are being taken to adhere to the 90 percent occupancy standard, including the current efforts underway to address emergency capacity due to sustained levels of over occupancy in the system.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD18.13>

BACKGROUND

On February 15, 2017, City Council approved the 2017 Operating Budget for SSHA as detailed in the chart below:

Table 1 - SSHA's Approved 2017 Operating Budget

Service	Gross (\$000s)	Net (\$000s)
Homeless and Housing First Solutions	190,505.4	69,498.3
Social Housing System Management	639,077.8	337,563.5
Total Program Budget	829,583.2	407,061.8

City Council also approved a staff complement 789.1 positions.

There were some staffing reductions presented to Council as a way to achieve the Council approved minus 2.6% reduction target. Many of the reduction options were not adopted by Council due to the negative impact on service; however, one that was approved was an attrition reduction of 10.3 FTEs for a savings of \$1.048 million.

The following is a list of the services impacted by the approved reduction and a summary of their major roles:

Table 2 - Services Impacted by the Approved Reduction

Service Area and Type	Description of Major Roles and Responsibilities
Homeless and Housing First Solutions: Client and Counselling Services	<ul style="list-style-type: none"> • Serve shelter clients in a 24-hour/7 day a week shelter environments. Programs can range from 60 to 100 beds. • Support the day-to-day operation of the shelter by monitoring shelter activities, assisting vulnerable clients with personal care, and providing crisis management supports. • Complete intakes and admissions for clients, assess and address client needs, and provide case management services and supports. • Assist clients find and keep housing through housing searches, securing income, information and referrals to other community-services, support accessing health/mental health and addiction services, and follow-up supports to prevent future homelessness.
Homeless and Housing First Solutions: Shelter Programs	<ul style="list-style-type: none"> • Supervises shelter operations in a 24/7 shift environment • Manages shelter program development and delivery including labour relations, application of shelter policies, staff and client health and safety • Investigates and responds to community and client complaints. • Develops partnerships with internal and external stakeholders.
Homeless and Housing First Solutions: Health Care	<ul style="list-style-type: none"> • Oversees and provides care including the dispensing of medications for frail shelter clients with very complex care issues requiring individualized support and monitoring • Provides health system navigation and counselling to shelter clients and coordinates clinics with other health care providers • Responds to medical emergencies • Provides infection control training to shelter staff
Homeless and Housing First Solutions: Food Services	<ul style="list-style-type: none"> • Provides three meals a day in a shelter environment including the menu planning, ordering and receiving of food, food preparation and food service. • Includes cleaning, sanitization and disposal. • Provide food safety and monitoring of meals and food service operations.

Service Area and Type	Description of Major Roles and Responsibilities
Homeless and Housing First Solutions: Street Outreach Services	<ul style="list-style-type: none"> • Provides case management services with clients who are homeless, street-involved, panhandling in a public location, or who are previously homeless and recently house.
Social Housing System Management: Housing Program Delivery	<ul style="list-style-type: none"> • Manages the delivery of housing programs and supports by non-profit organizations to vulnerable individuals and families. • Ensures agencies and organizations are compliant with the application legislation, City policies, and other contractual agreements

COMMENTS

At the time of this report, 2 of the 10.3 positions had retired. Both positions are front-line workers and both are being back filled by part time staff. Only a short amount of time has lapsed since the retirements; therefore, to date, the Program has not experienced any service level impacts.

It is important to note that from a client perspective all the services connected with the roles of the staff mentioned above would still be performed, albeit by the remaining staff. All shelter beds would remain open and services such as the provision of food, nursing, and counselling would continue.

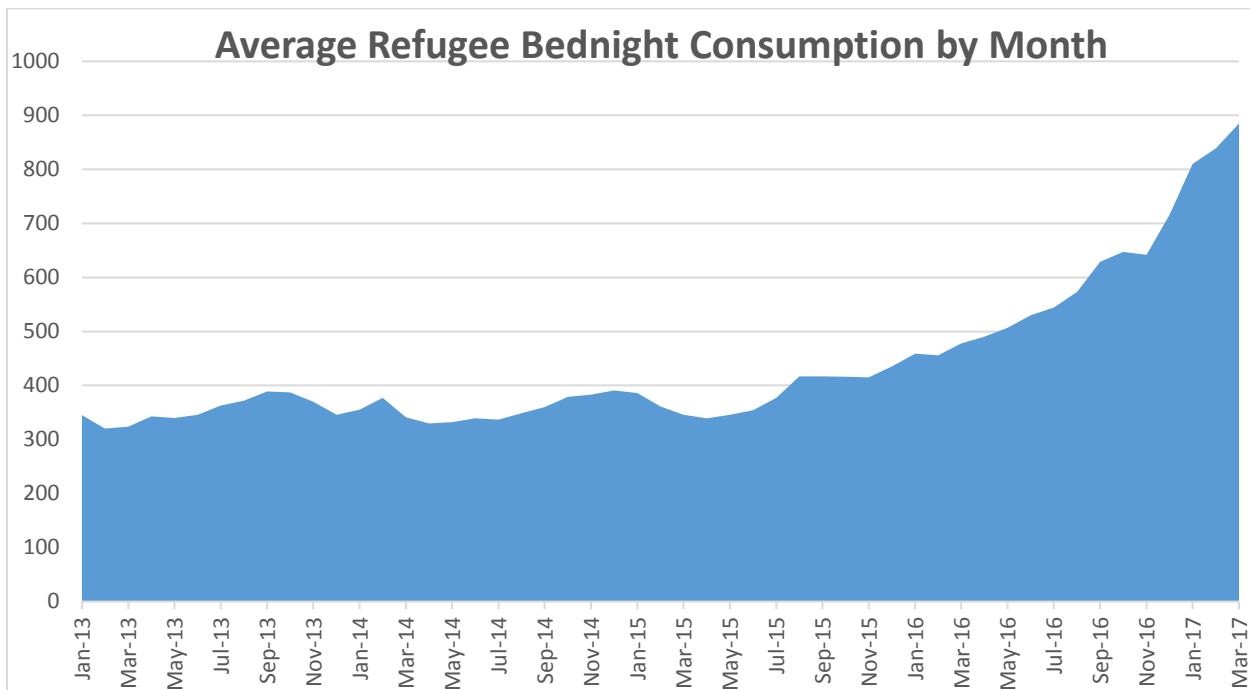
Although all services would remain, due to the high occupancy rate that SSHA is currently experiencing, the reduction of the workforce will negatively impact the timing of service delivery. For example, a client intake assessment will take longer. Any action that reduces the capacity of staff will impact the ability of service providers to provide an assessment function. However to determine the "true" service level impacts related to the loss of positions, the Program would need to undertake a time on task analysis to understand the exact impact that would result from the loss of positions.

SSHA does not currently have a comprehensive case management system that tracks and produces data to specifically detail what service level impacts would result from the loss of positions. In addition the Program is currently operating in an atmosphere of heightened volumes which makes it more challenging to predict service impacts. In the future the organization will need to set some measurable targets and parameters for the timing of service.

Refugee Intakes

Service capacity has been strained due to the higher than normal refugee intakes. The number of clients citing refugee status as the reason for needing service has grown to

almost 20% of all shelter service users. This is the main reason for continued increase in system pressure.



As at March 12th, there were 4,560 active shelter beds, 884 or 19.4 % were used by refugees. The level of refugees has been roughly 19% to 20% for the last 20 days. By comparison, in January 2013 refugees accounted for 9% or 345 of the shelter intakes.

Adhering to 90% Occupancy

On March 15, 2017, the overall occupancy of the City's shelter system was 97%. The City's response to rising demand for shelter is to make more beds available and to put in place housing allowances and follow up services that can assist housing workers within the shelter system to help service users leave the shelter and find permanent homes of their own. Since December 2016, almost 400 beds have been added to the system:

- 174 additional motel beds have been offered since mid-December, providing relief mainly in the family sector. Shelter demand from families continues to be high, in part because of a significant increase in intakes from families seeking refugee status. We are seeing continued growth in this demand across all sectors but it remains highest among families. We continue to think that providing refugees with motel rooms and support services is the best way to provide services, and we are working to identify more motel beds that could be used as needed.
- A 60-bed women's program opened on December 20, 2016, in Scarborough and operates at near capacity.
- The new 30-bed men's program on Bloor Street West opened January 11 and has been full most nights since January 13.

- Red Door's 96-bed temporary program for families is mostly open now. Red Door will return to its permanent home on Queen Street East once construction is complete on its new facility.
- Sojourn House is operating a 36-bed winter program for single male refugees.

Toward the end of January, the City began the release of a new tranche of up to several hundred housing allowances, supported where needed with a new bridging grant to cover first and last month's rent and follow up services. These allowances, grants, and ongoing support services are for people who have been in shelters throughout the city for the past six months. They are also available through Streets to Homes staff working with people who are street-involved and/or who used the 24-hour cold weather drop-ins. The goal is to help these clients find permanent housing that they can afford, while freeing up shelter spaces for emergency use.

Using these new coordinated housing supports, since the beginning of 2017, 275 people experiencing homelessness and staying in shelter or sleeping rough have moved into homes of their own through the combined efforts of workers in City and community operated shelters and outreach workers. Nearly half were assisted through housing allowances. SSHA anticipates an additional 100 households will be assisted through these new supports to move out of shelters into permanent housing in March 2017.

Adjustment Alternatives

The staff reductions were put forward in early August 2016 to help achieve City Council's budget reduction target of minus 2.6%. After 8 months from initial submission and 3 months into 2017, Social Housing has realized \$218,000 in savings and is projecting another \$200,000. Additionally there are other opportunities for savings that Council could consider; opportunities that are less likely to negatively impact service.

Savings in Social Housing

- The 2017 budget included an estimated mortgage renewal rate of 2.5% when it was submitted. For the first quarter of 2017, the Program has experienced mortgage renewals at or below 2.2% which has resulted in actual annual savings of \$168,000 for 2017. The Program is projecting another \$100,000 could be saved if the recent trend continues for a total of \$268,000
- The 2017 budget included an estimate of 2.0% for property tax increases, which is a flow through expense for TCHC and the portfolio of former provincial non-profit and co-operative housing providers. Given the Council approved property tax increase of 1.6%, the Program anticipates additional savings of \$100,000 for 2017.
- The 2017 budget included an estimate for the Ministry of Housing's 2017 Annual Cost Factor increase. An estimate was provided because the Cost Factor was not released by the time of budget submission. The Annual Cost Factor was slightly less than the Program estimate which has resulted in savings of \$50,000 for 2017.

- The total savings, realized or estimated, for Social Housing is \$418,000. The 2017 budget for SSHA could be adjusted by this amount to offset the loss of approximately 5 positions in shelter services.

Other Savings

SSHA currently has 6 non-front line administrative vacancies that could be gapped for savings. The additional gapping could act as a bridging strategy to the 2018 budget process, which, at that time, SSHA will be reassessing all program areas.

Conclusion

To mitigate impacts to front-line service delivery this report recommends alternatives to SSHA's approach to the 2017 budget. SSHA's initial 2017 budget was submitted in August, since that time, staff have been able to better estimate social housing costs related to mortgages, taxes and annual costs factors which result in savings of \$418,000. SSHA has also recommended an increase in gapping to achieve savings of \$629,800.

Combined, these efforts achieve the required \$1.048 million in 2017 budget savings that was approved by Council. Most importantly, these changes enable the Division to ensure that the identified front-line positions would continue to be available to assist vulnerable clients in a time of high service demand.

CONTACT

Paul Raftis
General Manager (I),
Shelter, Support and Housing Administration
Tel: 416-392-7885
Email: Paul.Raftis@toronto.ca

SIGNATURE

Giuliana Carbone
Deputy City Manager, Cluster A

Rob Rossini
Deputy City Manager & Chief Financial Officer