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HOMELESSNESS PREVENTION PROGRAM CRITERIA CHANGE

The Community and Health Services Committee recommends the adoption of the recommendation contained in the following report dated June 2, 2011, from the Commissioner of Community and Health Services.

1. RECOMMENDATION

It is recommended that:

1. Regional Council approve a Homelessness Prevention Program eligibility criteria change that allows residents to access assistance once every five years, rather than once in a lifetime.

2. PURPOSE

This report seeks approval to update the eligibility criteria of the Homelessness Prevention Program (HPP) to be more responsive to changing demands and to be more reflective of the changing needs of the community.

3. BACKGROUND

The Homelessness Prevention Program assists low income households facing homelessness to maintain their current housing

In May 2001, HPP was established by Regional Council through the adoption of Clause No. 14 of Report No. 3 of the Community Services and Housing Committee. The program provided one-time financial assistance to low income individuals and families who were facing homelessness but not in receipt of social assistance. From an initial pilot investment of $100,000, the program now receives an annual investment of $600,000. From 2001 to 2010, HPP assisted 1,482 households and is provided through the Salvation Army Northridge in northern York Region and Jewish Family and Child in southern York Region.

4. ANALYSIS AND OPTIONS

The Homelessness Prevention Program is multi-faceted and stretches beyond assistance with rental arrears

The program is a last resort prevention program for vulnerable people facing homelessness and offers one-time emergency financial assistance to help them get back on their feet. HPP is versatile and comprehensive in that it provides a range of preventative wrap-around supports including funds for rent, mortgage and utilities arrears, first and last month's rent, ID replacement, moving costs and urgent medical needs.

The agencies delivering HPP also provide landlord and tenant mediation and referral to other services that provide basic needs or additional supports such as personal and financial counselling. The service providers assess each household's situation to determine the best use of HPP funding. HPP assistance for arrears will only be utilized if a household has sufficient income to maintain their current housing and if current arrears are reasonable. When arrears are too high or the household is over-housed, they will be counselled to move to housing that they can afford and HPP will assist with moving costs and first and last month's rent.

HPP enables residents to remain housed and alleviates the need to resort to more costly services such as emergency shelters

In 2010, the average cost to house a family of four in an emergency shelter for an average stay of 19.1 days was $3,247 ($42.50/person/day x 19.1 days x 4). In comparison, the average cost for HPP assistance was $808 per person or $2,008 per household served in 2010.

HPP is complemented by the provincially funded Rent Bank Program which provides two months rental arrears payments once every two years to eligible clients, and the provincially funded Emergency Energy Fund (EEF) which provides one-time funds for energy arrears, energy re-connect, and security deposits. The two agencies delivering HPP on behalf of York Region also deliver the Rent Bank and EEF programs. This combination of services enables the agencies to support the Region's vulnerable residents in a holistic manner. Rent Bank and EEF programs are utilized first, with the Region's HPP stepping in to fill gaps in services or eligibility criteria.

The Homeless Prevention Program is a program that is unique to York Region and was developed based on the issues that were being presented by families in need. Inter-jurisdictional research shows that other municipalities do not have a similar program. When EEF or Rent Bank funds are fully expended in other municipalities, service delivery is discontinued. Some municipalities such as the City of Kawartha Lakes, have elected to top up these programs using municipal funds. When a top up occurs, the municipalities follow the eligibility guidelines established in the provincial programs and assistance is generally limited to rental or utility arrears.

More residents are enquiring about a second opportunity to access the Homelessness Prevention Program

Due to increases in the cost of housing, lower work opportunities and changing demographics, HPP is experiencing an increasing number of households wanting to access HPP assistance a second time. In 2010, twelve households reapplied for assistance.

The high cost of housing and the shortage of rental housing in York Region contribute to growing economic vulnerability particularly for those residents in lower income jobs. When faced with job loss, temporary layoff, child care costs, illness or unexpected expenses, some residents are pushed into rental or mortgage arrears and eviction.

The general demand for HPP continues to be high and is expected to increase as both the Region’s population and the number of residents who are living in low income households also grows. Between 2000 and 2005, the total York Region population increased by 22 per cent, whereas the low income population increased by 55 per cent. The recent economic downturn in 2009, which led to increases in unemployment rates, will likely increase pressures on low income residents based on historical trends.

Several recent reports have demonstrated that housing affordability is a key issue for many York Region residents but disproportionately impacts those living on low income. Lower income households are more likely to have fewer housing choices and face greater challenges in balancing their housing costs while paying for other basic or family needs. (Low Income Profile, 2006 Census). The median monthly payment for a homeowner in York Region in 2006 was $1,462 – 25 per cent higher than Toronto and 74 per cent higher than Canada. (‘*Making Ends Meet in York Region*’, 2011). In 2006, 27.3 per cent of homeowners and 48 per cent of renter households in York Region spent 30 per cent or more of their income on shelter. Spending 30 per cent or more of household income on housing costs is a commonly used affordability threshold, indicating that it then becomes difficult to pay for necessities such as food, clothing, education and transportation.

Change in program criteria from one-time assistance to once every five years will help more residents, respond to changing needs and avoid program dependency

While York Region has supports for homeless residents, the ultimate goal is to keep residents from becoming homeless. Homelessness is costly to the Region and the family and therefore it is recommended that access to the program be changed from once in a lifetime to once every five years.

The revised criteria would complement the once in every two years criteria of the provincial Rent Bank Program (focused strictly on arrears), and assist residents who are facing a new crisis, without creating the potential for a dependency on HPP. A time frame of less than five years was considered less viable, as it could result in residents applying for alternating assistance between HPP and Rent Bank from year to year. This would mean that a household who receives HPP assistance in 2011 would not be eligible again for HPP assistance until 2016.

Expansion of the Homelessness Prevention Program aligns with the Community and Health Services Multi-Year Plan and the Making Ends Meet Initiative

Following the approval of the Multi-year Plan and the 2011 Regional budget, HPP received an additional $100,000 in funding, increasing the total HPP annual budget from $500,000 to $600,000. This expansion of HPP aligns with the goals of the Multi-Year Plan by helping low income residents with access to basic needs, and by providing housing stability. HPP also offers a solution to helping vulnerable households make ends meet which directly aligns with the current work of the Human Services Planning Board of York Region, advancing the community result of creating economic self sufficiency for low to moderate income families and individuals.

Administrative funding allocation is not covering service provider costs

From 2004 to 2011 the program funding per service provider agency has increased from $250,000 to $300,000, a 20 per cent increase, and the administrative funding has increased from $39,280 to $45,000, a 15.56 per cent increase. As a result, the administrative funding has not kept pace with agency operational expenditures, such as staffing, utilities and rent, and the impact of HST on the bottom line. Agencies are supplementing the administrative costs for HPP from their own agency budgets.

In order for the agencies to continue providing services on behalf of the Region, a reasonable amount must be allocated for administrative costs that are incurred by the agencies to operate the program. The current administrative allocation of 18 per cent only covers the agency salary and benefits costs associated with the program. In order to better reflect the cost to administer HPP, the administrative allocation will be increased to a maximum of 20 per cent of program funding. This will enable agencies to meet the true administrative costs of the program including rent, utilities, communications technology and travel. Staff will work with the agencies annually to determine an appropriate administrative allocation based on expenses to a maximum of the 20 per cent available.

5. FINANCIAL IMPLICATIONS

There are no financial implications associated with this report. The approved 2011 Operating Budget included a $100,000 enhancement to HPP bringing the total value of the program to $600,000. This additional funding makes it possible to expand the eligibility criteria to help more residents. These changes will take place within the approved HPP budget with no additional tax levy impact.

6. LOCAL MUNICIPAL IMPACT

Assisting York Region residents, who are at risk for homelessness, to maintain adequate, affordable housing is key to promoting family stability and quality of life. HPP is available to residents of all nine local municipalities.

7. CONCLUSION

Investing in HPP to support residents to stay housed is a cost effective and preventative solution to minimizing homelessness. An eligibility change from one-time assistance to once every five years will assist York Region's low and moderate income households, prevent evictions and help avoid the use of other, more costly social services. Increasing the administrative funding to service provider agencies will enable them to continue to successfully deliver the program.

For more information on this report, please contact Lisa Gonsalves, Acting Managing Director, Strategic Service Integration and Policy Branch at Ext. 2090.

The Senior Management Group has reviewed this report.