



**City of Kingston
Report to Council
Report Number 16-114**

To:	Mayor and Members of Council
From:	Lanie Hurdle, Commissioner, Community Services
Resource Staff:	Sheldon Laidman, Director, Housing & Social Services
Date of Meeting:	March 22, 2016
Subject:	2015/16 Community Homelessness Prevention Initiative (CHPI) Surplus Funding Allocation

Executive Summary:

In 2015, the City of Kingston received one-time Community Homelessness Prevention Initiative (CHPI) funding in the amount of \$1,113,869 as well as an additional annual allocation in the same amount for the period April 1, 2015 to March 31, 2017. This additional funding allowed for the enhancement of homelessness services which had been approved for funding as the result of an RFP issued by the City and the establishment of a Homeless Reserve for expenses related to programs and services as the homeless services system transitioned to the Housing First model.

In accordance with the CHPI guidelines, the 2015/16 CHPI funding must be spent by March 31, 2016. At the end of 2015, the City showed a surplus in the CHPI program of \$385,217 due to Service Provider surpluses as a result of delayed staff hiring, underspending in municipal budget items associated with the implementation of the Homeless Individuals and Families Information System (HIFIS), and a surplus in the Discretionary Residency Benefit (DRB) program.

City staff are recommending that \$300,000 of the 2015 CHPI surplus be deferred to 2016 and used to offset a portion of the \$400,000 included in the 2016 municipal budget for homeless services and that the balance of \$75,217 be included to offset costs in the Housing administration budget for 2016 with the resulting municipal surplus transferred to the Working Fund Reserve. It is also recommended that \$10,000 be allocated to the Salvation Army, Community & Family Services to increase the funds available under the Homeless Prevention Fund (HPF) for Q1 of 2016. The HPF provides funding to low income households, not in receipt of social assistance, who are at risk of homelessness by providing financial assistance with utility arrears, first and last month rent and other related expenses. In the County, Southern

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Frontenac Community Services delivers the HPF program and has confirmed to the Service Manager that there is no need for HPF funding for this term.

As the \$300,000 in municipal homelessness funding has already been committed in the 2016 budget, staff are recommending that this funding be offset by allocating \$300,000 to the Homeless Reserve in 2016. The Homeless Reserve was established in 2013 as it was anticipated that the Housing & Homelessness Services System (HHSS) being implemented would create significant unanticipated expenses associated with the Plan implementation. Through Report Number 15-244, Council approved three year planned expenditures from the Homeless Reserve for various initiatives including professional development, damage fund for landlords, enhanced services for youth, as well as a contingency fund. The purpose of the contingency fund is to provide a flexible fund to respond to emerging needs in the community related to housing and homelessness which are identified as priorities, which may include ongoing shelter bed needs or daytime programs and services inclusive of meal programs for those who are homeless or at risk of homelessness.

Recommendations:

That Council approves that \$375,217 2015 budget surplus in CHPI programs be allocated to the 2016 Housing & Social Services budget as follows:

- a) \$300,000 to offset a portion of 2016 municipal program costs allocated to agencies to provide homeless services;
- b) \$75,217 to the 2016 Administration budget to cover a portion of the costs associated with the implementation of the 10 Year Municipal Housing and Homelessness Plan with the resulting municipal surplus transferred to the Working Fund Reserve; and

That the balance of \$10,000 be allocated to the Salvation Army, Community & Family Services to enhance the Homeless Prevention Fund for 2016; and

That an amount of \$300,000, reflecting the amount in municipal funding offset by the CHPI funding be transferred to the Homeless Reserve in 2016 to increase the balance in the contingency category for unanticipated expenses related to the implementation of the 10 Year Municipal Housing & Homelessness Plan.

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Options/Discussion:**Community Homelessness Prevention Initiative Funding Received in 2015**

In Q4 of 2014, the City of Kingston as Service Manager for homeless services in the City of Kingston and County of Frontenac, received one-time funding in the amount of \$1,113,869 which was to be expensed by March 31, 2015. On December 16, 2014, Council approved Report Number 15-007 which detailed the allocation of these funds.

On March 30, 2015, the City of Kingston received confirmation from the Province that the annual Community Homelessness Prevention Initiative (CHPI) funding for the period April 1, 2015 to March 31, 2017 was \$4,076,100. This represented an increase in funding of \$1,113,869 over the funding that had been awarded as a result of the RFP for homeless services. Details regarding the funding allocations are outlined in Report Number 15-244 which was approved by Council on May 19, 2015.

The new Housing and Homelessness Services System (HHSS) implemented as a result of the 10 Year Municipal Housing and Homelessness Plan (the Plan) and the award of contracts under an RFP process was operationalized beginning in January 2015. This additional funding allowed homeless programs and services awarded under the RFP to be enhanced and Service Providers delivering these programs entered into agreements with the City related to the enhanced funding to allow an increase of staff to expand services.

The service providers delivering the programs under the new system are: Addictions and Mental Health Services – KFL&A; Kingston Home Base Housing; Salvation Army –Community & Family Services; Kingston Youth Shelter; Elizabeth Fry Kingston; and Southern Frontenac Community Services.

At the end of 2015, there was a CHPI surplus of \$385,217. This included \$253,486 due to tight timelines in the implementation of the HHSS resulting in staffing changes and delays in hiring by funded service providers; \$41,292 in unspent funds originally budgeted for various expenses related to the implementation of the homeless system such as agency staff training and computers for the homeless management information system (HIFIS), as well as \$90,439 in unallocated surplus in the Discretionary Residency Benefit (DRB) program. In accordance with the provincial CHPI guidelines any 2015/16 CHPI surplus funds must be spent by March 31, 2016, must meet CHPI goals and cannot be transferred to a reserve.

Allocation of Surplus CHPI Funding

It is recommended that the \$385,217 surplus CHPI funds be allocated as follows:

1. \$300,000 be used to offset a portion of the \$400,000 in municipal funds that is budgeted in 2016 to provide enhanced homeless services.
2. \$75,217 be allocated to offset Admin expenses in the 2016 municipal budget to cover a portion of the staffing costs associated with the implementation of the Plan with the resulting municipal surplus transferred to the Working Fund Reserve.

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3. \$10,000 be allocated to the Salvation Army, Community & Family Services to increase the funds available under the Homeless Prevention Fund (HPF) for 2016. The HPF provides funding to low income households, not in receipt of social assistance, who are at risk of homelessness by providing financial assistance with utility arrears, first and last month rent and other related expenses.

As the \$300,000 in municipal homelessness funding which is now being offset with CHPI dollars has already been committed, City staff are recommending that these funds be allocated to the contingency category of the Homeless Reserve. When the new Housing and Homelessness Services System (HHSS) was being developed in 2013, a Homeless Reserve was established as it was anticipated that as the HHSS progressed, significant and varied unanticipated needs in the community would be identified and it would be desirable to respond to these needs in order to continue to serve this vulnerable population in a timely manner. As the plan implementation moved forward, planned expenditures for the homeless reserve were identified and by way of Report Number 15-244, Council provided approval for expenditures from the Homeless Reserve over a three year period. These planned expenditures include among other things, professional development for staff in the field, a damage fund for landlords participating in the program, enhanced services for youth and a contingency fund. The balance in the Homeless Reserve is \$688,405 and in the contingency category approved by Council the current balance is \$70,527. The purpose of the contingency fund is to provide a flexible fund to respond to emerging needs in the community related to housing and homelessness which are identified as priorities, which may include ongoing shelter bed needs or daytime programs and services inclusive of meal programs for those who are homeless or at risk of homelessness.

The recommendation to provide \$10,000 to the Salvation Army, Community & Family Services will increase the funds available to clients under the Homeless Prevention Fund (HPF) for Q1 of 2016. The HPF provides funding to low income households, not in receipt of social assistance, who are at risk of homelessness by providing financial assistance with utility arrears, first and last month rent and other related expenses. In the County, Southern Frontenac Community Services delivers the HPF program and has confirmed to the Service Manager that there is no need for HPF funding for this term. The balance of the surplus funds in the amount of \$75,217 will be included to offset costs in the municipal Housing administration budget for 2016 with the resulting municipal surplus transferred to the Working Fund Reserve.

Existing Policy/By-Law:

10 Year Municipal Housing and Homelessness Plan

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

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Financial Considerations:

Utilizing the provincial CHPI surplus funding will assist in off-setting \$375,217 in municipal costs in the 2016 Housing & Social Services operating budget and it is proposed that \$300,000 in 2016 municipal funds be allocated to the Homeless Reserve, resulting in a net municipal surplus of \$75,217 for 2016 which will be transferred to the Working Fund Reserve. The current balance in the Homeless Reserve is \$688,405.

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Other City of Kingston Staff Consulted:

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Exhibits Attached:

Not applicable