RECOMMENDATION 2

INVESTMENTS TO TARGET CHRONICALLY & EPISODICALLY HOMELESS PEOPLE

Summary:

There are different types and experiences of homelessness. For most people homelessness is a very short-term experience, but for others it is ongoing and even chronic. Those people who experience homelessness chronically cost society a disproportionate amount of money. By focusing solutions on this group we realize savings the fastest. It is critical, however, that as those numbers begin to decline the money is reinvested in addressing other needs. Within this recommendation we call for:

- A 10-year renewal to the Homelessness Partnering Strategy (HPS), a federal program that funds 61 communities across Canada addressing homelessness.
- A 50% increase in the first five years to the $119 million currently allocated on an annual basis to HPS.

RECOMMENDATION COST: $2.071 billion over ten years to reduce homelessness.

Recommendation Details:

EXTEND RENEWAL AND EXPAND SCOPE OF THE HOMELESSNESS PARTNERING STRATEGY

In 1999, the federal government initiated the National Homeless Initiative (now the HPS) with a three-year investment of $753 million ($251 million annually, or $365 million in inflation-adjusted dollars[1]). The program has evolved over time both in name and in function and has been renewed on an annual or semi-annual basis. Funding goes directly to 61 community entities (funds do not go to provincial or territorial governments and there are no cost-sharing agreements), which are empowered to determine local priorities within the context of HPS guidelines and through mandated community plans.

In 2013, the Government of Canada announced a five-year renewal, at $119 million annually, which represented a reduction from the $134 million annual expenditure from the previous HPS renewal (it should be noted that this did not mean a reduction in funding that goes directly to communities).

While historically most of this funding went to support emergency services, the new agreement stipulates that 65% of funds must go directly to support Housing First services and supports (conditions on what constitute allowable expenditures are outlined in HPS directives). It also directs communities to prioritize chronic and episodic homeless persons because: a) they experience extremely negative consequences of homelessness over a prolonged period, b) while a minority of the homeless population, they use up to 50% of services (Aubry, 2013), and c) it is cheaper to provide them housing with supports, than to keep them in a state of homelessness (Goering et al., 2014), not to mention it is more humane. Communities are expected to transition in year one of the renewal, with expected reductions in chronic homelessness to be realized in the coming years. This is designed to be a phased-in approach, where larger urban communities with higher numbers of homeless people and where there is a greater investment by HPS are expected to implement Housing First initiatives first.

The idea is that with a limited amount of money, priority should first be placed on those in greatest need (chronically homeless persons with mental health and addictions challenges) and that once those numbers begin to decline, resources can be reallocate to other needs. While it is important to prioritize, we need to be mindful of other issues that need to be addressed simultaneously. For some communities, the shift in HPS priorities and directives means cuts to non-Housing First programming that may address other community priorities, such as prevention, youth homelessness, Aboriginal homelessness, women who experience violence, people recently discharged from prison or hospital who are high-risk but not chronically homeless, etc. The problem is that the Housing First investment is required more or less up front, but the savings may not be seen for several years. While it is acknowledged that in many communities (particularly larger ones) HPS funding accounts for only a portion of the investment in homelessness services, this is not the case in all communities.

In response, we are advocating an extension of the HPS renewal to cover a ten-year period, indexed to inflation, with a 50% increase in allocation in years one through five.

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1. Annual average inflation rates calculated using: http://www.inflation.eu/inflation-rates/canada/historic-inflation/cpi-inflation-canada.aspx

These additional funds can be used to invest in rent subsidies to support the implementation of Housing First. Once people are stably housed, they will then be able to access the Housing Benefit (Proposal 4, below) and provincial housing supports, including social housing or affordable housing. While a deep rent subsidy will be necessary at the beginning, over time the level of rent subsidy may be reduced or eliminated.

It must be acknowledged that while the proposed housing subsidy will reduce precarity for people who are already housed, it may not necessarily meet the needs of many people trying to exit homelessness. For a person exiting chronic homelessness an extended rent supplement – which provides a higher rate of support than the Housing Benefit – will be necessary. On the flip side however, "The housing benefit will reduce the flow into homelessness. Its cost will also, like the child tax benefits introduced some years ago, reduce the flow of people forced to apply for social assistance" (Londerville & Steele, 2014).

This new investment will also allow communities to adjust to the new Housing First orientation prioritizing chronically and episodically homeless persons, while also enabling communities to set their own priorities in other strategic areas, including youth homelessness, victims of family violence, and Aboriginal homelessness, as long as those other strategic areas are consistent with the plans specified under the new framework agreement.

If and when reductions in homelessness are achieved, most likely after year five, the federal government could begin to draw down its HPS investment.

RECOMMENDATION: $186 million (2015/16); $2.071 billion over ten years.