

REGION OF OTTAWA-CARLETON  
RÉGION D'OTTAWA-CARLETON

REPORT  
RAPPORT

Our File/N/Réf.  
 Your File/V/Réf.

DATE 10 December 1999

TO/DEST. Coordinator  
 Community Services Committee

FROM/EXP. Commissioner, Social Services

SUBJECT/OBJET **INCREASE IN FUNDING FOR DOMICILIARY HOSTELS**

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**DEPARTMENTAL RECOMMENDATION**

**That Community Services Committee recommend Council approve an increase in the per diem rate from \$34.00 to \$44.50 for the domiciliary hostel program effective January 1 2000. That the Region's 20% share (\$2.00) be implemented effective January 1 2000 and that Council request that the Province provides its 80% share retroactive to January 1, 2000. The total cost of this increase would be approximately \$ 2,750,000 (provincial cost: \$ 2,200,00 and regional cost \$ 550,000).**

**BACKGROUND**

The Region of Ottawa-Carleton is facing a crisis in the domiciliary hostel program. The situation is both immediate with the possible closing of a facility and an ever increasing concern related to the capacity of other domiciliary hostels to continue to operate.

For several years, operators have advised us of their difficulties in maintaining the operation of domiciliary hostels due to the lack of increase in funding for the past 7 years. They have been operating at a loss due to increased labor and material costs. Domiciliary hostel operators have informed Social Services that they are not able to sustain mounting losses much longer without an increase in the per diem rate to reverse the trend.

Recently one of the larger facilities, with a capacity of 136 residents, went into receivership. This facility combines both private fee payers as well as 34 subsidised residents. Social Services would encounter difficulties in relocating these persons should it become necessary to do so. Of greater consequence would be the disruption and turmoil caused to the residents in having to move. We do not have sufficient capacity in the other domiciliary hostels to accommodate these residents.

Many do not have any family or friends who could care for them even for a short period. These residents are all elderly persons with physical ailments and some also have psychiatric difficulties.

In addition we have been advised that a number of domiciliary hostels are for sale. There is no financial incentive to draw investors into this field. To complicate matters further, operators are encountering difficulties in refinancing their facilities as financial institutions assess the negative financial circumstances of their operation.

We are clearly facing a situation that will worsen if there is no action on the part of regional and provincial governments. The Region of Ottawa-Carleton cannot lose an important program delivering care and accommodation to its vulnerable citizens.

### DOMICILIARY HOSTELS IN OTTAWA-CARLETON

The Region of Ottawa-Carleton has contracts with 24 domiciliary hostels located in almost all of the local municipalities with the majority in the City of Ottawa. The facilities are located in urban as well rural areas. The 24 facilities have a capacity for approximately 1200 persons. Social Services has a budget capacity to purchase space for 800 persons on average per day.

Domiciliary hostels in Ottawa-Carleton provide shelter, food, and supervision to the persons who are admitted. Approximately 60% of the persons in domiciliary hostels have psychiatric difficulties, 30% are frail elderly persons, and 10% have developmental disabilities. The domiciliary hostel program is an extremely important program in this community in light of the client populations that reside in the domiciliary hostels. Most clients are referred directly from hospitals as in the case of persons with psychiatric difficulties. For many frail elderly persons it is a matter of no longer being able to live on their own and not yet qualifying for long term care facilities. What is extremely important in this is the extent to which hospitals in this community rely on the range of residential care facilities to be able to discharge their patients. Without this program in the Region of Ottawa-Carleton many persons would end up living on the streets, in emergency hostels, in jails, or in inadequate and unsafe rooming houses.

### PROVINCIAL ACTIVITY RELATED TO DOMICILIARY HOSTELS

During the transfer of responsibilities for social, community, and health services in 1998, the Province assigned full funding responsibility for domiciliary hostels to municipalities. As a result, the cost-sharing arrangements in place prior to 1998 between the Province and municipalities at the rate of 80% provincial and 20% municipal were devolved entirely to municipalities. In the case of the Region of Ottawa-Carleton this meant an increase in cost for the purchase of domiciliary hostels from approximately \$ 750,000 in 1997 to anticipated costs of over \$ 3,750,000 in 1998.

As a result of activities undertaken by Social Services and representatives from other municipalities, the Province announced in June of 1998 that funding for domiciliary hostels was to be restored retroactive to January of that year. At the time the Province announced its intention to review domiciliary hostels in context of housing for persons with special needs.

During this past year, the Region participated in a review of the domiciliary hostel program along with other municipalities funding domiciliary hostel programs across the province. This was the latest in a succession of many studies over the past 10 years. We anticipate that a policy to determine the role of domiciliary hostels within a supportive housing framework and a possible per diem increase may be known sometime in the new year. In light of the difficulties facing domiciliary hostels in Ottawa-Carleton, a solution is needed to ensure the security of the residents accommodated in the facilities.

Social Services has written to the Ministry of Community and Social Services to advise them of the worsening situation in domiciliary hostels. We have requested that the Province increase cost-sharing to domiciliary hostels in order to address the current concerns.

### COMMUNITY CONSULTATION

A community consultation has not been undertaken at this time. However Social Services received numerous comments from community agencies in 1998 expressing support to maintain the domiciliary hostel program.

### FINANCIAL CONSIDERATIONS

The Region of Ottawa-Carleton is faced with 2 funding options: to provide an increase to the per diem rate in the amount of \$ 2.00 with or without provincial cost-sharing. A regional increase of \$ 2.00 could attract cost-sharing from the Province of \$ 8.00. This would amount to an increase of \$ 2,750,000 to the domiciliary hostel program. The cost-sharing arrangement would result in costs to the Province of \$ 2,200,000 and to the Region of \$ 550,000. If the Province did not cost-share, the increase to the domiciliary hostel program would amount to the Region's portion of \$ 550,000 solely. This would leave the domiciliary hostel at serious risk.

*Approved by  
D. Stewart*