

Region of Waterloo
Community Services
Housing Services

To: Community and Health Services Committee

Meeting Date: November 7, 2023

Report Title: The Plan to End Chronic Homelessness – Interim Update and 2024 Budget Considerations

1. Recommendation

That the Regional Municipality of Waterloo take the following action with respect to beginning the implementation of the Plan to End Chronic Homelessness for Regional Residents Experiencing Chronic Homelessness as set out in report CSD-HOU-23-028 dated November 7, 2023:

- a) Direct staff to begin the co-implementation of initiatives designed to address gaps identified in the Key Findings Report (CSD-HOU-23-024) with community partners, as detailed in Appendix A;
- b) Direct staff to:
 - i. Increase the 2024 Housing Services Operating Budget by \$11,124,967 to implement the Plan to End Chronic Homelessness (The Plan) funded by \$3,200,000 from the Tax Stabilization Reserve and \$7,924,967 from the 2024 property tax levy;
 - ii. Amend the 2024-2033 Housing capital program for the development of a hybrid shelter as outlined in this report;
 - iii. Establish a Homelessness Prevention Capital Reserve;
- c) Advocate to the Government of Canada and to the Government of Ontario for annually incremental, sustainable, and predictable funding to support both new and existing services and programs that end, prevent, and respond to experiences of homelessness;
- d) Direct staff to work with community to develop accountability and impact frameworks for the Housing Stability System;
- e) Direct staff to work with community to develop a suite of policy incentives supporting the creation of new affordable housing and/or for preventing the loss of existing affordable housing stock and tenant displacement in Waterloo Region and bring

forward any further recommendations to Regional Council for consideration and approval;

- f) Authorize the Commissioner of Community Services to execute all agreements and documents required to implement resolution (a) of this report, all such agreements and documentation to be to the satisfaction of the Chief Administrator Officer, Commissioner of Community Services and the Regional Solicitor;
- g) Authorize Real Estate and Legal Services to negotiate a conditional Agreement of Purchase and Sale for property acquisition or alternative Lease Agreements that may be required for the development of initiatives under the Plan to End Chronic Homelessness, and bring forward any resulting Agreement of Purchase and Sale or Lease Agreement to Regional Council for consideration and approval, with all terms and conditions subject to the satisfaction of the Commissioner of Community Services and the Regional Solicitor; and,
- h) Refer the above recommendations to the Strategic Planning and Budget Committee for consideration as part of the 2024 budget.

2. Purpose / Issue:

To provide an overview of 2024 budgetary considerations to begin the co-implementation of the forthcoming Plan to End Chronic Homelessness (CSD-HOU-23-011, CSD-HOU-23-024), enhance and add services that are responsive to the growing number of individuals experiencing chronic homelessness in Waterloo Region, and continue the implementation of Interim Housing Solutions (CSD-HOU-22-19).

3. Strategic Plan:

This report addresses Strategic Priority 1: Homes for All, Strategic Priority 3: Equitable Services & Opportunities, and Strategic Priority 4: Resilient and Future Ready Organization in the Region's newly approved Corporate Strategic Plan 2023-2027.

- Under Priority 1, we will eliminate chronic homelessness and reliance on traditional emergency shelter models. This includes the launch of a region-wide task force to implement the Plan to End Chronic Homelessness, and to partner with community organizations for the continued implementation of the Interim Housing Solutions. Key performance indicators include an increase in funds and individuals housed through supportive housing options.
- Under Priority 3, we will explore new models of service through community collaboration and partnerships. This includes finding new ways to partner with community organizations to improve service delivery and developing advocacy plans that support new investments in equitable service delivery. Key performance indicators include an increase in engagement with unheard voices,

and new funding to support investments in equitable service delivery.

- Under Priority 4, we explore new service models and partnerships to achieve fiscal resilience and better service. This includes supporting staff and the community to drive service transformation that is culturally appropriate, safe and inclusive through co-design, data-driven decision-making, innovative digital tools, and other ways of knowing. Key performance indicators include increase in satisfaction with service experience.

4. Report Highlights:

- The Plan to End Chronic Homelessness (The Plan) is still in development and will be completed in 2024. This report provides an interim update on The Plan, along with policy and budget considerations to begin implementation of The Plan in 2024.
- The forthcoming Plan will include six pillars, which will enable a multi-pronged approach to end chronic homelessness. These pillars aim to honor lived expertise, compassionately respond to the current reality of individuals living unsheltered and the lack of adequate housing options within Waterloo Region, and facilitate the emergence of an equitable future where all have access to safe, appropriate, and affordable housing.
- Co-implementation of The Plan, with community partners, will begin in 2024. This will require funding and direction from Regional Council for a number of initiatives for each pillar. The funding required to begin this in 2024 is detailed in Appendix A. Budget recommendations, beyond 2024, will be available after The Plan is complete in early 2024.
- Current funding does not meet the needs of the community. The number of individuals experiencing homelessness continues to outpace the services available (CSD-HOU-23-024). At the same time, the loss of affordable housing stock is reducing the number of accessible housing options for those with low and moderate income and increasing strain on community housing providers. Service providers in the Housing Stability System are also experiencing accelerating levels of worker burnout, which threatens the collapse of the system.
- Funding for the Plan is not included in the preliminary 2024 operating and capital budgets. The Plan, along with recommendations included in the Fee For Service report (CSD-HOU-23-027) also on this agenda, require a 2024 property tax levy increase of \$11 million and a further levy increase estimated at \$8 million in 2025. An additional \$3.2 million in funding in 2024 is required from the Tax Stabilization Reserve.

5. Background:

In August 2022, Council directed staff to create a Plan to End Chronic Homelessness (The Plan) as a part of the Interim Housing Solutions strategy (CSD-HOU-22-19). The development of The Plan is grounded in the principle that in order for a plan to succeed it must be created “in community, by community, for community” (CSD-HOU-23-011, CSD-HOU-23-024). As outlined in September, “we are not there yet” in transforming a system that is equitable, and meaningfully includes the expertise of those with lived/living experience of homelessness, and groups who experience systemic marginalization. Nor is The Plan and its recommendations complete. To begin co-implementation of The Plan with community partners, this report provides a preview of the portion of budgetary requirements for ending chronic homelessness in Waterloo Region.

The Homelessness System in Waterloo Region is responding to growing rates of chronic homelessness. Despite the inspiring collective effort to expand services and supports to meet community need there remains multiple gaps in the supports and housing available. Currently, the Homelessness System is meeting between 33% to 60% of community need. Where 33% of street outreach, 36% of housing-focused case management, 50% of supportive housing, and 60% of emergency shelter need is met. Of the known data, roughly one in four people known to be experiencing chronic homelessness also experiences tri-morbidity, where an individual experiences an overlap of physical health, mental health, and substance use conditions. Data also demonstrates an over-representation of Indigenous individuals known to be experiencing chronic homelessness in Waterloo Region, attributed to the legacy of settler colonialism. Appendix B is included for more information on the current state and need of Homelessness services in Waterloo Region.

Six pillars have been identified in the draft Plan for ending chronic homelessness in Waterloo Region. These pillars make up a multi-pronged approach that responds to current realities, while also facilitating the emergence of an equitable future where the housing needs of all community members in Waterloo Region are met. The six pillars are:

Create a variety of housing to meet diverse needs

Providing different types and forms of housing will ensure the housing system can better respond to individual needs, while addressing the systemic oppression and marginalization experienced by Black, Indigenous, Racialized, and 2SLGBTQIA+ individuals, those with neuro-cognitive and/or physical disabilities, and Refugees and Asylum Seekers. In 2024:

- Create an additional hybrid shelter, as outlined in Appendix C the four-month assessment of the Erb’s Road hybrid shelter demonstrates positive and life-changing experience, with noted recommendations to improve service provision;
- Review the community housing waitlist prioritization model to identify revisions

for prioritizing individuals experiencing chronic homelessness; and

- Advance the creation of housing and supports that explicitly respond to the needs of Black, Indigenous, and Racialized communities, and is developed, led, and provided by these communities.

Centre lived expertise, racial equity, and social justice

Advancing a whole of community approach, where lived/living expertise of chronic homelessness, racial equity, and social justice are central in decision-making, funding choices, and policy creation, will ensure the homelessness system will be culturally competent, inclusive, and proactive in addressing systemic harm. In 2024:

- Continue the Lived Expertise Prototyping Project operated by the Social Development Waterloo Region (SDCWR), currently this is the primary avenue for meaningful inclusion of lived experts in guiding and co-implementing Region-funded solutions for ending chronic homelessness;
- Strengthen existing work with co-creators by creating a community co-implementation initiative with community partners and lived experts; and
- Dedicate administration towards implementing equity and reconciliation work under the Plan, specifically for work that addresses the systemic harm experienced by Black, Indigenous, Racialized, and 2SLGBTQIA+ individuals, those with neuro-cognitive and/or physical disabilities, and Refugees and Asylum Seekers.

Address both economic and social–emotional causes of chronic homelessness

Taking a holistic approach to supporting individuals out of experiences of chronic homelessness and preventing chronic homelessness ensures services eliminate economic pathways into chronic homelessness and addresses the growing capacity challenges within the Homelessness System. In 2024:

- Ensure funding stability for direct-service workers, which includes a cost of living increase for service providers delivering emergency shelter and supportive housing;
- Review approaches to wrap-around supports for individuals experiencing chronic homelessness to increase service access, reduce risks of gender-based violence, and advance equitable service options;
- Increase funding for Regional portable rent supplements; and
- Advocate to the Federal and Provincial government to increase Federal-Provincial rent supplements (Canadian-Ontario Housing Benefit), eviction prevention funds, and individual allocations from Ontario Disability Support Program and Ontario Works to align with the Provincial elimination of rent increase guidelines for residential units created after November 15, 2018, and to meet the rising costs of rent in Waterloo Region.

Increase and broaden collaboration within the homelessness system

Strengthening relationships between the community partners who make up the

Homelessness System and with other sectors will reduce the number of individuals who experience chronic homelessness and enhance service access and responsiveness. In 2024:

- Create system integration and support for existing rural service hubs that serve those experiencing chronic homelessness in rural locations across the Waterloo Region;
- Expand multi-sector collaboration to reduce institutional exits into homelessness from hospitals, child welfare, justice facilities, and long-term care homes, with specific supports dedicated to Indigenous-led and provided initiatives;
- Create partnerships with newcomer and immigration services to create better coordination between housing and newcomers and refugee supports;
- Create partnerships with the health sector to create better coordination between housing, chronic and disability healthcare, mental health, and addictions supports; and
- Advocate to the Provincial government for dedicated public health funding for health supports accessed through supportive housing, to increase the number of rehab beds available within Waterloo Region, and for services mitigating existing health risks for individuals experiencing chronic homelessness.

Advance policy change using affordability and poverty-reduction lens

Creating policy through an affordability and poverty-reduction lens will ensure the elimination of financial causes of chronic homelessness and mitigation of trauma during experiences of chronic homelessness. In 2024:

- Advocate to the Federal and Provincial governments and work with area municipalities to develop and implement housing programming and policy that prevents displacement and the loss of existing affordable housing, and increases community housing stock;
- Develop accountability frameworks, with community partners and those who access housing and homelessness support services; and
- Advance a human rights policy approach to unsheltered forms of homelessness.

Strengthen shared community responsibility

Working toward a renewed level of trust, transparency, role clarity and accountability in the community by deepening public understanding of chronic homelessness, and providing ways for individuals to see themselves as a part of the solution. In 2024:

- Create a protocol for regular public sharing of disaggregated data on the current state of chronic homelessness and system outcomes; and
- Review the definition of chronic homelessness and methods used to capture experiences to include the individuals who do not traditionally access homelessness services such as those who are trans and gender non-conforming, and those a part of immigrant communities.

Alongside these six pillars, exists the Housing First philosophy, which guides services

such as supportive housing, emergency shelters, portable rent supplements, and eviction prevention programs. As Service System Manager, the Region of Waterloo also receives provincial and federal funding (e.g., Reaching Home and the Homelessness Prevention Program), which requires Housing First to be embedded in service provision and for specific programs to be in operation such as a by-name list of individuals experiencing homelessness and a coordinated access system to housing and supports. Housing First philosophy is a key criterion in the evaluation matrix for Fee for Service Requests. Proposals for new and enhanced services that explicitly align with this principle and meet the Fee for Service Evaluation Matrix are included in CSD-HOU-23-027 and represented in Appendix A. Appendix A also includes budgetary considerations for:

- Motels to maintain this critical part of the emergency shelter system in Waterloo Region, as all families and individuals with complex medical issues experiencing homelessness currently utilize motels;
- A Hybrid Shelter and Outreach Supports to respond to growing numbers of unsheltered experiences of chronic homelessness across Waterloo Region;
- Portable Rent Supplements to prevent households from experiencing chronic homeless through the loss of affordable rental housing; and
- A Community Governance Model under the Plan for co-implementation, meaningful inclusion of lived expertise, and service planning with community partners.

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities: Through a Municipal Housing and Homelessness Leads Committee, Region staff remain closely connected with area municipalities in the collective work of addressing housing and homelessness related issues in the region. Staff meet and communicate regularly on housing and homelessness issues, including progress on the implementation of the Interim Housing Solutions, and the development of the Plan to End Chronic Homelessness. Through collaborative problem solving, data sharing, and leveraging shared resources, area municipalities are a vital partner in building an equitable and resilient community for all.

Public: Development of the Plan to End Chronic Homelessness (The Plan) continues with Co-Creators and through the Social Development Centre Waterloo Region's (SDCWR) Lived Expertise Prototyping Project. Co-creators consist of system partners who provide services and programming that aim to end and prevent experiences of homelessness. The inclusion of lived expertise in The Plan occurs through the Lived Experts Prototyping Project, which is shaped and lead by lived experts. Broad community engagement was completed in summer 2023 and informs the 2024 recommendations through the knowledge gathered in The Plan to End Chronic Homelessness' Mid-Project Key Findings Report (CSD-HOU-23-011).

7. Financial Implications:

There is currently no provision in the Preliminary 2024 Housing Services budget for the Plan to End Chronic Homelessness. Any amount approved by Committee will be added to the 2024 Housing Services Budget. Staff propose a two-year interim funding strategy as follows:

Operating Budget (in \$Millions)	2024	2025
Proposed Amendments to the Preliminary 2024 Budget:		
Plan to End Chronic Homelessness (per report CSD-HOU-23-028)	\$8.9	\$12.9
Contribution to Homelessness Prevention Capital Reserve	\$2.2	\$3.0
Total Expenditures	\$11.1	\$15.9
Funding:		
Tax Stabilization Reserve	\$3.2	
Property Tax Levy Requirement	\$7.9	\$15.9
Subtotal Funding	\$11.1	\$15.9
Fee for Service Cost and Property Tax Levy Requirement (CSD-HOUS-23-027) on this agenda	\$3.1	\$3.1
SUMMARY		
Total Cost for Fee for Service & Interim Plan to End Chronic Homelessness	\$14.2	\$19.0
Funded by:		
Tax Stabilization Reserve	\$3.2	
Property Tax Levy	\$11.0	\$19.0

Incremental property tax levy requirements for both the Interim Plan to End Chronic Homelessness and the Fee for Service totals \$11.0 million in 2024 and \$8.0 million in 2025. An additional \$3.2 million in funding in 2024 will be required from the Tax Stabilization Reserve.

Staff also estimate that an additional \$3 million in capital expenditure will be required to implement a new hybrid shelter. Staff propose the following amendment to the 2024-2033 Housing Services Capital Program:

2024-2033 Capital Program (in \$Millions)	2024
Proposed Expenditure	
Hybrid Shelter Capital Expenditure	\$3.0
Sources of Funding:	
Homelessness Prevention Capital Reserve	\$3.0

8. Conclusion / Next Steps:

Communities thrive when everyone has a place to call home; a place that is their own, where they feel comfortable, safe, and part of the community. Ending homelessness in all its forms for every single person who lives in Waterloo Region is crucial to realizing this vision. To realize this also requires partnerships with diverse community organizations, alongside meaningful inclusion of lived/living expertise and equity-deserving groups in service development and delivery.

The recommendations outlined in this report represent the funding and direction required to provide service enhancements to respond to the growing number of individuals experiencing chronic homelessness, complete the implementation of the Interim Housing Solutions (CSD-HOU-22-19), and begin the co-implementation of the Plan to End Chronic Homelessness with community partners. Multi-year recommendations and associated budgetary considerations beyond 2024 will be outlined with the completion of The Plan to End Chronic Homelessness, in 2024, as staff and community partners continue to work on the development of this plan.

9. Attachments:

Appendix A: 2024 Operating Budget Considerations for Ending Chronic Homelessness

Appendix B: Current State and Need of Homelessness Services in Waterloo Region

Appendix C: Four-month Assessment Report Summary Erb's Road Shelter

Appendix D: Presentation

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