

Region of Waterloo
Community Services
Housing Services

To: Regional Council
Meeting Date: January 24, 2024
Report Title: The Plan to End Chronic Homelessness 2024 Budget Update

1. Recommendation

That the Regional Municipality of Waterloo take the following action for the prioritized expenditure plan of the \$10.2 million allocation to support and begin the co-implementation of the Plan to End Chronic Homelessness, as set out in report CSD-HOU-24-002 dated January 24, 2024:

- i. Allocate the new investment of \$10.2 million by an equal proportion relative to the original budget request in order to prioritize the acceleration of work across all Plan to End Chronic Homelessness and Fee for Service priority activities,

or:

- ii. Prioritize and maintain the original Fee for Service Requests (\$3.1 million) and allocate the remaining funding (\$7.1 million) across the original Plan to End Chronic Homelessness budget requests.

2. Purpose / Issue:

This Report provides an update and seeks direction from Council on the prioritized expenditure plan of the \$10.2 million allocation by Regional Council to support and begin the co-implementation of the Plan to End Chronic Homelessness (The Plan), inclusive of Fee for Service Requests in the Housing Stability System, in the 2024 Budget (CSD-HOU-24-003).

3. Strategic Plan:

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

The Plan to End Chronic Homelessness and related work aim to expand supports along the housing continuum and reduce reliance on traditional shelter models. Grounded in lived expertise and committed to reconciliation, equity and inclusion, the Plan will create

more equitable housing solutions to respond to the diverse needs of the community. By implementing the Plan, the Region and the community, will adopt an innovative approach to homelessness prevention and improve public service delivery.

4. Report Highlights:

- Option 1 allocates the \$10.2 million investment proportionally across all budget items relative to the original request. This option allows all previously identified objectives of the Plan to move forward in 2024 across each priority area in relative terms.
- Option 2 prioritizes and maintains the initial Fee for Service Requests as presented in November 2023. In this option, the budget is prioritized towards fully funding these new community-based requests while other priority areas are scaled back.
- In November 2023, Community Services staff presented a preliminary budget of \$14.2 million (CSD-HOU-23-028) for implementation of the Plan to End Chronic Homelessness. The budget included strategic initiatives and eligible Fee for Service Requests.
- As part of the 2024 Budget, Council invested \$10.2 million towards the Plan to End Chronic Homelessness and Fee for Service Requests in the Housing Stability System. This significant investment further demonstrates a deep commitment by Council to homelessness prevention and affordable housing in Waterloo region.
- The updated recommended 2024 budget and expenditure plans have been determined through a set of decision-making principles developed by Staff and reviewed by The Plan's Co-Creators following a thorough process of alternate budget scenarios.

5. Background:

In November 2023, Community Services staff presented a budget to begin to implement The Plan, which included several strategic initiatives that aimed to meet the current pressures faced by the system, expand supports to permanently house individuals experiencing homelessness, and develop preventative strategies to strengthen the Housing First and housing-focused foundation in community. Additionally, successful Fee for Service Requests made by Housing Stability System partners and service providers were included in the final budget presentation, which totalled \$14.2 million.

In December 2023, Council passed a motion approving a \$10.2 million investment in the 2024 budget to immediately begin implementation of The Plan, inclusive of Fee for Service Requests in the Housing Stability System. Additionally, the motion directed staff to report back to Council by January 31, 2024 with a prioritized expenditure plan for 2024.

Staff considered several budget scenarios when developing updated budget options for The Plan, inclusive of Fee for Service Requests, which are outlined in Appendix A.

Recognizing the deep needs that exist across Waterloo Region related to homelessness, it is important to balance the needs of our community with the limited resources available. To update the 2024 budget, Staff developed principles to ensure that there is a balance between immediate impact and prevention-focused solutions that prioritizes the unique and diverse housing needs of all individuals experiencing homelessness in Waterloo Region. These principles are:

- Prioritizing Housing First principles and initiatives that support permanent housing outcomes.
- Centring lived experience in decision-making and service delivery.
- Enhancing and creating services/sites across the housing continuum to meet the unique needs of individuals and community.
- Expanding supports and services for individuals experiencing unsheltered homelessness.
- Ensuring equitable housing programs/sites to meet the unique and diverse needs across Waterloo Region.
- Responsible and sustainable investments balancing increasing demand and limited resources.

Ending chronic homelessness is an aspirational and achievable goal that can be accomplished if the work of community collaboration and co-creation is strengthened and expanded in 2024 and beyond. Housing Services remains deeply committed to the collective work of The Plan and preventing and ending chronic homelessness in Waterloo Region.

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 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 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. This partnership with community will continue to inform and guide our work.

7. Financial Implications:

Council has invested \$10.2 million to the 2024 Housing Services Budget towards The Plan to End Chronic Homelessness, inclusive of Fee for Service Requests in the Housing Stability System. Staff have considered the following two options.

	Original	Option 1	Option 2
	Per CSD-HOU-23-028 Council Report	Equal and Proportionate Deduction Across Categories	Retain FFS Level-Proportionately Decrease Remaining Categories
2024 Operating Budget (in \$000's)			
Fee for Service (FFS)	\$ 3,113	\$ 2,223	\$ 3,113
Motel Expenditures	1,187	848	758
Hybrid Shelter	764	551	496
Encampment Response and Outreach Team	749	541	482
Portable Rent Supplements	3,232	2,315	2,062
Implementation Expenditures	458	326	298
System Stabilization Investments	2,470	1,765	1,566
Contribution to Capital Reserve	2,264	1,632	1,424
Total Expenditures	\$ 14,238	\$ 10,200	\$ 10,200

Sources of Funding (in \$000's)			
Property Tax Levy	\$ 11,038	\$ 7,000	\$ 7,000
Tax Stabilization Reserve	3,200	3,200	3,200
Total Sources of Funding	\$ 14,238	\$ 10,200	\$ 10,200

	Original	Option 1	Option 2
2024 Capital Program (in \$000's)			
Proposed Expenditures:			
Hybrid Shelter Capital Expenditure	\$ 3,000	\$ 3,000	\$ 3,000
Sources of Funding:			
Homelessness Prevention Capital Reserve	\$ 2,264	\$ 1,632	\$ 1,424
Strategic Investment in Affordable Housing Reserve	\$ 736	\$ 1,368	\$ 1,576
Total Sources of Funding	\$ 3,000	\$ 3,000	\$ 3,000

It should be noted that the \$3M planned investment in hybrid shelters will ultimately be funded from the Homelessness Prevention Capital Reserve. As there will be insufficient funds in the reserve in 2024, staff recommend a temporary borrowing of the funding difference required from the Strategic Investment in Affordable Housing Reserve with the intent to fully refund this temporary borrowing in 2025.

8. Conclusion / Next Steps:

Communities thrive when everyone has a place to call home and the ongoing work of the Plan to End Chronic Homelessness exemplifies the commitment to creating this vision for the community. Staff will implement the updated Plan to End Chronic Homelessness budget, including Fee for Service Requests, in 2024 with community partners. This \$10.2 million regional investment will meaningfully contribute to preventing, addressing, and ending chronic homelessness in Waterloo region.

9. Attachments:

Appendix A: 2024 Prioritized Expenditure Plan, Plan to End Chronic Homelessness and Fee for Service Requests

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