

Region of Waterloo
Community Services
Housing Services

To: Community and Health Services Committee
Meeting Date: October 8, 2024
Report Title: The Plan to End Chronic Homelessness, Funding Strategy & Engagement Plan

1. Recommendation

That Regional Municipality of Waterloo endorse and approve the prioritization of The Plan to End Chronic Homelessness (PECH) work through the proposed Prioritization and Engagement Strategies as outlined in CSD-HOU-24-019, dated October 8, 2024;

And that Regional Council refer the operating budget expansion for 2025 to the Regional Strategic Plan and Budget Process.

2. Purpose / Issue:

To provide Regional Council with the Funding Strategy and Engagement Plan as directed on April 9 2024 (CSD-HOU-006).

To provide Regional Council with potential options for future funding and their respective impact on PECH outcomes (all, none, or some of the projected need).

3. Strategic Plan:

This report supports the following strategic priorities: Homes for All, Equitable Services & Opportunities, and Resilient and Future Ready Organization in the Region's approved Corporate Strategic Plan 2023-2027.

- Homes for All: We will eliminate chronic homelessness and reliance on traditional emergency shelter models. Through an increased investment and redistribution of funding allocations across the spectrum of services to resolve chronic homelessness, we will work with the forthcoming All of Community Leadership Table to implement the Plan to End Chronic Homelessness.
- Equitable Services & Opportunities: Equity is a key driver to the success of the Plan to End Chronic Homelessness. We will explore new models of service through community collaboration and partnerships with equity-owed groups and will expand our understanding of successful outcomes to be more inclusive of the

diversity of need across our community.

- Resilient and Future Ready Organization: Through an increased and redistributed model of investment across housing services, we explore new service models and partnerships to achieve fiscal resilience and improved service. This includes supporting staff and community towards service transformation that is culturally appropriate, safe, and inclusive through co-design, data-driven decision-making, and responsive, adaptive prioritization of work.

4. Report Highlights:

- The Plan to End Chronic Homelessness: A Roadmap to Functional Zero Funding Strategy attached as Appendix A, summarizes and outlines two components of the Funding Strategy: Funding & Prioritization.
- The Plan to End Chronic Homelessness by 2030 requires an estimated investment of \$345 million from all sources. This includes \$177.5 million for direct operating investments over five years. A prioritization of these investments can be found in Appendix A.
- A further \$110 million in capital investments were identified, which would also come with the potential for an additional \$57.5 million in debt servicing costs
- Investment amounts are based on existing services and programs and using current homelessness data from the Homeless Individuals and Families Information System (HIFIS), the Prioritized Access to Housing Support (PATHS) list, and the 2021 Point-in-Time (PiT) count.
- When fully funded by various sources, the Plan to End Chronic Homelessness will prevent any experiences of homelessness wherever possible and ensure that when it does occur that it is rare, brief, and non-recurrent.
- If no further investment is secured and growth continues at its current rate it is estimated that chronic homelessness will reach over 1000 individuals by 2030.
- Equity across the housing stability system (HSS) is a key driver in the success of the Plan. Functional zero cannot be effectively achieved without the intentional and meaningful collaboration with equity-owed groups across the community. New and increased benchmarks for equity in the HSS are forthcoming as the infrastructure of the PECH work continues to evolve.

5. Background:

On April 9 2024, Regional Council approved and endorsed the Plan to End Chronic Homelessness, *Navigating Complexity Together: A Roadmap to Functional Zero by 2030* (CSD-HOU-24-006) and directed staff to return to Council in October 2024 with a comprehensive funding and advocacy strategy as part of the 2024 Regional Budget Process. The attached Funding Strategy and Engagement Plans fulfill this direction, attached as Appendices A and B. In April 2024, Council also approved \$10.2M in net new operating funding for the Plan. The outcomes of this investment to date include:

- 98 PATHS participants housed out of experiences of chronic homelessness
- 150 net new portable affordability rent supplements for households to maintain housing or end experiences of episodic homelessness
- 18 youth shelter beds stabilized in community
- 20 new women's shelter beds
- 44 net new supportive housing units
- 3 new Unsheltered Support Workers to increase support to people staying in encampments
- Funding support to approximately 30 families in Emergency Shelter and up to 50 single adults in motel rooms that cannot access emergency shelter
- Stabilization to staff supports in emergency shelter across the system
- Stabilization to tenant supports to over 300 fixed site Supportive Housing units

As of February 2024, approximately 558 individuals are experiencing chronic homelessness in Waterloo Region. If no action is taken to resolve this and growth continues at its current rate it is estimated that chronic homelessness will reach over 1000 individuals by 2030. The Funding Strategy and Engagement Plan illustrate the estimated required investment to flatten this curve and end chronic homelessness in Waterloo Region, redistribute an increased proportion of investment to prevention.

The Funding Strategy is made up of two components, including **funding** and **prioritization of work**. The funding component identifies what investment is needed to achieve functional zero by 2030, based on the key performance indicators and housing outcomes required to get there using current data projections. The prioritization component identifies the process by which prioritization will occur in the case that all required funding is not secured each year, thereby impacting the projected outcomes to functional zero. As funding increases are subject to the annual Regional Budget Process, the predictability of funding is difficult to use for outcome projections. To that end, prioritization will need to occur on a yearly basis in partnership with the forthcoming Community Leadership Table. Additionally, the prioritization of work with a reduced investment other than what is required to achieve functional zero by 2030 as outlined herein, requires deep collaboration with the Community Leadership Table on an

ongoing basis, and must be adaptive and responsive to community need and the increased capacity of equity-owed voices within the process.

The PECH Engagement Plan is a comprehensive strategy aimed at advancing community conversations with partners, co-creators, and all levels of government. These community conversations will have a focus on articulating the opportunities demonstrated within the PECH, The Region's investment to-date, and advancing the detailed investment strategy with external partners. The Engagement Plan is rooted in building the current public understanding of the PECH and creating both further awareness and opportunities to discuss the investment needed beyond the priorities funded by the tax levy, as determined by Regional Council through the Investment Strategy. We know that resolving chronic homelessness cannot be done solely by Regional government.

The Engagement Plan includes a community tool kit for PECH Co-Creators and the All of Community Leadership Table to advocate for the work to partners. Staff and community partners will mobilize PECH Champions who will collaborate to identify further funding streams and engagement opportunities with public and private sector partners, provincial and federal ministries, the Federation of Canadian Municipalities and the Association of Municipalities of Ontario.

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities

Regional staff have engaged with area municipality staff throughout the PECH process, with some area municipality staff attending PECH meetings. All Area Municipalities were invited via a CAOs meeting in June 2024 and email follow-up. Regular updates and consultation are provided at monthly Municipal Housing & Homelessness Leads Committee for all attendees. Under the PECH model of co-creation, ongoing consultation with Area Municipalities' staff were engaged for YWCA Women's Shelter in Cambridge and were consulted and participated in the 84 Fredrick operating model. Some Area Municipality staff have participated in HART Hub community engagement and information sessions. The Community Leadership Table will continue to engage with city and township staff throughout the implementation of the PECH.

Public:

The Plan to End Chronic Homelessness continues to engage community and service organizations through monthly Co-Creators roundtable meetings. Since the endorsement of the Plan in April 2024, there have been 6 roundtable meetings with up to 50 participants. Sub-Action groups have also been formed to dial in on specific areas of work including the Funding Strategy, Equity work, All of Community Leadership Table formation, and Public Engagement Strategies. Co-Creators are consulted on a regular

basis for feedback into the Plan deliverables including this Funding Strategy and Engagement Plan. Ongoing equity work continues to bring equity-owned voices to the forefront of PECH planning. Lived Experience groups are consistently engaged and consulted on PECH planning.

7. Financial Implications:

Between 2025-2030, an additional \$177.5 million in operating funding requirements have been identified.

Further capital investments have been identified by the Co-Creator's group totalling \$110 million plus estimated debt servicing costs of \$57.5 million.

Through the upcoming Plan & Budget process, Council will be provided the opportunity to consider an operating investment in the PECH for 2025.

Please see **Appendix A** for a detailed breakdown of projected investments.

8. Conclusion / Next Steps:

The Plan to End Chronic Homelessness Funding Strategy and Engagement Plan will mobilize once there is a direction established by Council on how to proceed. Once there is a projected direction forward on investment, staff and community can further develop the Engagement Plan to resolve the gaps in funding needed to stay on course to functional zero by 2030.

Regional staff, in partnership with the forthcoming All of Community Leadership Table, will continue to collect and use outcome data, including forthcoming benchmarks in equity work across the system and housing outcomes, to ensure that all work related to the PECH aligns with the common goal of ending chronic homelessness.

9. Attachments:

Appendix A: The Plan to End Chronic Homelessness Roadmap to Functional Zero *Funding Strategy*

Appendix B: The Plan to End Chronic Homelessness *Engagement Strategy*

Appendix C: The Plan to End Chronic Homelessness Funding Strategy and Engagement Plan Presentation

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