
Subject: Homelessness Prevention Plan Investment Plan 2023-24

Report to: Public Health and Social Services Committee

Report date: Tuesday, March 7, 2023

Recommendations

1. That the Ministry mandated Homelessness Prevention Plan (HPP) investment plan for the 2023-24 funding allotment **BE APPROVED**.

Key Facts

- The purpose of this report is to obtain approval for the fiscal 2023-24 HPP investment plan before April 15, 2023, as required by the Ministry of Municipal Affairs and Housing (MMAH).
- On February 3, 2023, the MMAH provided notification of the planning funding allocations for HPP. Niagara is expected to receive \$11,167,500 for the one-year term April 1, 2023 through March 31, 2024 consistent with the prior fiscal year funding allotment.
- Consistent with the previous year, MMAH requires service managers to submit an investment plan for 2023-24, which is due April 15, 2023, outlining the planned spending in the directed categories of: community outreach and support services, emergency shelter solutions, housing assistance and supportive housing.
- The proposed investment plan included in the report has been developed based on the HPP program guidelines (April 2022), in alignment with Niagara's Ten Year Housing and Homelessness Action Plan and with consideration to existing funding allocations to support a stable homelessness system in Niagara.
- As a result of COVID, Niagara received significant additional Social Services Relief Fund (SSRF) funding from the province during the years 2020-2022 to support expenditures in the homelessness system to ensure a safe environment for Niagara's most vulnerable residents, and support agencies committed to working with these residents, however that funding was terminated on December 31, 2022.

Financial Considerations

On March 7, 2022, the MMAH provided notification that the Community Homelessness Prevention Initiative (CHPI), Home For Good (HFG) and the Strong Communities Rent Supplement Program were being consolidated into one flexible program called the

Homelessness Prevention Plan. The new HPP funding formula has capped administration at 5% in the year 2023-24. Previously allowable administration was 10% under the earlier provincial programs, Community Homelessness Prevention Initiative and Home for Good. This reduction creates a potential additional pressure on Niagara Region as administration includes the provision of system management and support, ensuring continuous system improvements, monitoring contracts, managing the By Name List and ensuring a quality data strategy to have effective and successful system transformation. The Region has not fully leveraged all of the allocation of administration money in the past, and currently is estimating to use 4.5%, as monies are prioritized to front line services to clients as funding in Niagara is already not sufficient to meet local need. Niagara remains concerned however, that reduced availability of admin funding, with increased system performance expectations, will result in a further pressure locally.

The total 100% provincial HPP funding provided for 2023-24 is anticipated to be \$11,167,500. This amount is the same as the prior year, with no additional funding provided to even reflect inflation, let alone local service needs. This planned funding is reportedly under review by the Ministry and while it could see changes next year, there is a commitment not to decrease from the 2023-24 amount allocated. It should also be noted that all SSRF funding has been terminated effective December 31, 2022.

Niagara Region also contributes \$1,788,808 of levy funding, as included in the 2023 Regional budget, to the same priority funding categories beyond the proposed provincial amounts (assuming a consistent levy allocation in Q1 2024). Niagara Region is also providing \$2,301,010 in levy funding in the 2023 operating budget to operate the Bridge Housing and Permanent Supportive Housing facilities built using Social Services Relief Phase 2 capital funding. As per a review by KPMG consultants it was noted that Niagara Region has one of the highest regional levy contributions towards homelessness.

Current homelessness service contracts were executed through a Negotiated Request for Proposal procurement process for each of the HPP categories and have been approved for a four-year contract period from April 1, 2020 to March 31, 2024. The contract awards align with the HPP investment plan for 2023-24. Niagara Region funds and works collaboratively with 18 agencies in the region to deliver homelessness services and supports to the residents of Niagara.

Analysis

The proposed HPP investment plan is designed to align with the HPP program guidelines issued April 2022. The Ministry requires that an investment plan be submitted each year indicating how Niagara Region plans to use the funding provided based on the categories identified by the province, and additionally, recognizing the four provincial homelessness priority populations of chronic homelessness, youth, Indigenous persons and homelessness following transitions from provincially-funded institutions and service systems.

The vision for HPP is “to provide Service Managers with the resources needed to establish a coordinated housing and homelessness system in each community so that people at risk of, or experiencing homelessness, have the housing and support services that they need to retain and/or obtain stable housing and achieve better outcomes.”¹ This vision has three goals, to prevent homelessness, address homelessness and reduce chronic homelessness which is a system that focuses on proactive and permanent housing solutions rather than reactive responses to homelessness.

The table in Appendix 1 details the funding plan submitted for 2022-23, the proposed plan to be submitted for 2023-24 and the changes in funding allocations, over the prior year.

The relative amounts set out in Niagara’s investment plan align with provincial expectations, and ensure funding levels in each category support stability in the Niagara homelessness system while allowing for the capacity to move the system forward in achieving provincially identified priorities. While stability is a key goal in supporting the homeless sector in Niagara, the loss of the pandemic funding, at a time when homelessness and the acuity of clients is increasing, has raised significant concerns regarding the ability of the system to support clients’ complex needs without additional funding and resources. The types of services that will be funded under the HPP categories, as well as some specific work, related to system improvements, are outlined as follows:

¹ Homelessness Prevention Plan Program Guidelines, April 2022, Ministry of Housing.

Community Outreach and Support Services

- This category captures Niagara's outreach services, including assertive street outreach support workers who provide help to find stable housing, and connections to other services including mental health programs, healthcare, addiction services, and legal aid. It also includes homelessness prevention support programs which address eviction prevention, assistance to secure and retain housing, and assistance with budgeting and banking through trusteeship.
- Assertive street outreach is another key component in Niagara's Built for Zero efforts and system improvement work. Niagara successfully launched a hot spot mapping tool for encampments in 2020, to further support and enhance collaboration with municipal partners, community and police.
- Outreach services proved very instrumental in supporting homeless clients during the pandemic as many clients chose to live unsheltered during this time, some feeling this was a safer option than the shelter system. Niagara remains concerned that the potential loss of the enhanced level of emergency funding and associated service will negatively impact those living unsheltered, increase encampment behaviour and have a negative impact on Niagara's downtown communities.
- The increase in allocation towards outreach and support services is to better align with actual contracted costs to provide outreach support in Niagara.

Housing Assistance

- This category includes funding provided for rent supplements for those who qualify from the centralized housing waitlist to obtain and sustain affordable housing units, while receiving a range of case management supports through those ministries.
- Housing help and other upstream prevention services are funded in this category supporting clients with housing searches, shelter diversion, family reunification and ID clinics.
- Shelter diversion program enhancements during COVID are to be continued based on success to date, of approximately 25% diversion for youth and 10% for adults.
- Additional funding is allocated to support a rapid rehousing program as a current best practice to support shelter capacity management.
- Decrease in Housing Assistance is due to the realignment in the 2023 budget for the Housing Stability Plan and Niagara Emergency Energy Fund budget to be funded under the federal funding allocation instead of HPP.

Supportive Housing

- Consistent with best practices, funding in this category will support Home for Good units and, where appropriate, transitional housing programming in Niagara. These critical programs aim to increase housing stability, and reduce reliance on emergency shelters.
- Funded services will also include case management to assist clients with access to medical care, and supports related to mental health, substance use, and crisis intervention. Coordinated access to these resources is another key component in Niagara's work associated with Built for Zero, offering the right support, for the right needs, at the right time.
- The additional funding in this category will go to enhance housing allowances and ensure that clients in the Housing First program are able to find affordable housing in the current Niagara region housing market.
- Home for Good programming is a supportive housing model for mid acuity clients, and includes case management supports, referrals to key health services, occupational therapy and housing allowances. This program is offered both in purpose-built units and market-based units in Niagara.
- The increase in allocation towards supportive housing is to better align with actual contracted costs to provide support in Niagara.

Emergency Shelter Solutions

- Shelter providers will operate using a housing focused philosophy based on the successful pilot project offered during the pandemic. Since June of 2020, a 30-bed housing focused shelter pilot (opened June 2020) had 66 admissions with 71% exiting to permanent housing.
- Funding will support a low barrier, trauma informed shelter system, offered in a variety of settings; providing necessary basic needs, and meals, along with housing support services including transportation to shelter.
- The increase in allocation towards emergency shelter solutions is to better align with actual contracted costs, including a 2% cost of living adjustment, to provide shelter services in Niagara. The demand for shelter in Niagara remains high due to rental housing costs being up 50% over the last two years which is increasing clients' length of stay in shelter as they struggle to find affordable rental units.
- There will be continued effort to align with provincial policy expectations, emphasizing where possible, prevention over emergency responses.

- Niagara has increased shelter spaces in the cities of St. Catharines and Welland, as well as provided increases to the number of spaces available at the seasonal shelters.

Program Administration

- Funding for administration supports capacity building, and system transformation including best practice training for staff and leaders of all third party agencies delivering programs.

While permitted under the Administration category, Niagara Region does not allocate the full 5% available under the HPP guidelines for administration, largely due to the limits of funding available, rather, focusing as much funding as possible to direct client service delivery. Niagara currently applies 4.5% of funding to administration.

Alternatives Reviewed

Not applicable, as the HPP investment plan must be developed, approved and submitted to the province in order to receive this funding to support Niagara's homelessness serving system.

Relationship to Council Strategic Priorities

This recommendation is aligned to Council's strategic priority of ensuring a "Healthy and Vibrant Community." By approving this report, Niagara Region is able to receive this provincial funding and support clients of the housing and homeless systems.

Other Pertinent Reports

- COM 01–2020 Community Homelessness Prevention Initiative Investment Plan 2020-21
- COM 01–2021 Community Homelessness Prevention Initiative Investment Plan 2021-22
- COM 01–2022 Community Homelessness Prevention Initiative Investment Plan 2022-23
- COM 10-2022 Confidential - Allocation of Provincial Funding for the 2022-23 fiscal year

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Appendix 1 Funding plan

Appendix 1

Service Category Activities	2022-23	2023-24	Change	Projected # Households Assisted
Community Outreach & Support Services	\$690,870	\$1,054,559	\$363,689	1275
Mental Health and Addictions Supports	\$0	\$0	\$0	0
Other Health-Related Supports	\$89,040	\$90,376	\$1,336	25
Life Skills Development/Daily Living Supports	\$81,830	\$83,057	\$1,227	150
Food Security	\$0	\$0	\$0	0
Employment/Education/Training Supports	\$0	\$0	\$0	0
Case Management and Outreach	\$520,000	\$881,126	\$361,126 ⁱ	1100
Culturally-Relevant Supports for Indigenous People	\$0	\$0	\$0	0
By-Name List Activities	\$0	\$0	\$0	0
Housing Assistance	\$4,435,427	\$3,428,716	(\$1,006,711)	1972
Long-Term Housing Assistance	\$1,682,788	\$1,682,788	\$0	247
Short-Term/Emergency Assistance	\$1,237,275	\$0	(\$1,237,275) ⁱⁱ	0
Non-Financial Assistance	\$1,515,364	\$1,745,928	\$230,564 ⁱ	1725
Supportive Housing	\$2,227,620	\$2,444,421	\$216,801	675
Rental Assistance	\$338,000	\$414,000	\$76,000 ⁱ	275
Mental Health and Addictions Supports	\$1,839,620	\$2,005,421	\$165,801 ⁱ	400
Other Health-Related Supports	\$0	\$0	\$0	0

Service Category Activities	2022-23	2023-24	Change	Projected # Households Assisted
Life Skills Development/Daily Living Supports	\$0	\$0	\$0	0
Culturally-Relevant Supports for Indigenous Peoples	\$0	\$0	\$0	0
Other Supports Not Captured Above	\$0	\$0	\$0	0
Minor Repairs	\$50,000	\$25,000	(\$25,000)	0
Residential Services Homes	\$0	\$0	\$0	0
Emergency Shelter Solutions	\$3,374,172	\$3,739,204	\$365,032	2100
Program Administration	\$439,411	\$500,600	\$61,189	0
Total	\$11,167,500	\$11,167,500	\$0	0

ⁱ The increase in allocation is to better align with actual contracted costs to sustain the level of supports and services provided during COVID.

ⁱⁱ The change is associated with the realignment of programs within the federal and provincial funding sources, as we transition out of COVID funding. The investment in the program from base federal and provincial funding has not changed.