
Subject: Unsheltered Homeless Encampment Initiative

Report to: Public Health and Social Services Committee

Report date: Tuesday, March 4, 2025

Recommendations

1. That the details on the Federal Unsheltered Homeless Encampment Initiative (UHEI) funding **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to provide additional information on a recent UHEI funding update, and an overview of how the funding will be allocated.
- On January 22, 2025 the Ministry of Housing, Infrastructure and Communities announced that Niagara as one of ten municipalities that will be issued enhanced federal funding under the new UHEI program.
- Niagara will be funded \$2,206,365 per year for two years (September 1, 2024 – March 31, 2025; April 1, 2025, to March 31, 2026). Total funding: \$4,412,730.
- Niagara is required to provide cost matching for this funding allocation. The levy contributions included in approved budgets are sufficient to meet the requirements of this funding and no further levy contribution is required to support this funding.
- The UHEI will be used to support capital investments made in both the South Niagara shelter and the St. Catharines permanent shelter, to enhance homelessness programming, and to develop a Niagara supportive housing strategy.

Financial Considerations

Housing, Infrastructure and Communities Canada (HICC) has provided Niagara an allocation under the UHEI program of \$2,206,365 for the periods September 1, 2024 – March 31, 2025, and April 1, 2025, to March 31, 2026, for total funding of \$4,412,730.

The UHEI program requires cost matching for planned expenditures submitted in the Community Encampment Response Plan (CERP), which includes opportunities for both capital and operating programs. The current regional contributions to homelessness in both the capital and operating budgets are sufficient to meet the required cost match.

Niagara will use \$3.2 million of the UHEI program funding to support two capital projects being completed by Niagara Region Housing (NRH): the South Niagara shelter and the

St. Catharines permanent shelter, both of which have already been approved with capital levy funding. Given that the year one funding allocation is effective September 1, 2024, the capital levy funding will be returned to the Region’s capital levy reserve to be used in future budgets proposed to Council. The gross budget for these projects will remain unchanged. The remaining \$1.2 million will support homelessness programming, with matching funds coming from the approved 2024 and 2025 operating budgets. Since the funding is retroactive to September 1, 2024, it will fund \$0.4 million of items originally levy-funded in 2024. This surplus revenue will be reflected in the 2024 year-end operating results for Community Services. The remaining \$0.8 million will enhance homelessness programming in the 2025 operating budget, and a budget adjustment to the Niagara Region 2025 operating budget to reflect the increased funding will be processed in accordance with the Budget Control By-Law 2017-63. Table 1 below summarizes how the funding is allocated.

Table 1: Funding Allocation

	September 1, 2024 – March 31, 2025	April 1, 2025 to March 31, 2026	Total
Allocated to NRH Capital Projects:			
• South Niagara Shelter	\$1,400,000		\$1,400,000
• St Catharines Permanent Shelter		\$1,756,365	\$1,756,365
Allocated to increased homelessness programing	\$432,500	\$450,000	\$882,500
Allocated to existing homelessness programming (offset levy over-contribution)	\$373,865	\$0.00	\$373,865
Total Funding Received	\$2,206,365	\$2,206,365	\$4,412,730

The UHEI funding will require an annual audit which will be coordinated between Homelessness Services, NRH and the Region’s auditors.

Analysis

On January 22, 2025 the Ministry of Housing, Infrastructure and Communities announced Niagara Region as one of ten municipalities to be issued enhanced federal funding under the UHEI.

The UHEI program requires cost matching and contains both capital and operating funding opportunities. To maximize the encampment and homeless supports in Niagara, while mitigating the impacts on the local taxpayer, a strong focus on capital was included in the CERP. In the program proposal, Niagara submitted for capital support for both the South Niagara shelter and the St. Catharines permanent shelter for a total capital funding swap of \$3.2 million. The remaining \$1.2 million of operating funding is spread over the years 2024, 2025 and Q1 2026.

Key priorities within this funding envelope as approved in the CERP include outreach programming, winter shelter expansion including increased spaces and responses to cold weather alerts, programming to work with landlords to increase the number of rental units available to support transitions out of shelter and encampments, funding for the supportive housing strategy and start up costs for individuals moving to permanent housing from shelter or encampments.

Alternatives Reviewed

Niagara has the option of declining this funding opportunity, particularly given the cost matching requirement. Given the investment that Niagara has already committed through operating levy and capital programs, the cost matching was available without an additional ask to Council, and therefore staff proceeded to apply for this funding opportunity to access enhanced funds with no additional levy requirement.

Homelessness Services utilizes funding from other federal and provincial programs to support its wide range of programs and services. Report CSD 64-2024 – 2025 Consolidated General Levy Budget, outlines programs with incremental levy investments in mandated services provided under provincial and federal agreements. The incremental levy investment for these programs is estimated to be \$4 million in 2025. An alternative considered was using the full \$1.2 million operating portion of the funding to reduce this incremental levy investment however \$0.8 million of this amount is being reinvested into the system given the demand for homeless services.

Relationship to Council Strategic Priorities

Effective Region – Deliver fiscally responsible and sustainable core services.

Other Pertinent Reports

[CWCD 2025-24 Funding Announcement](https://niagararegion.escribemeetings.com/Council%20Weekly%20Correspondence%20Distribution_Jan31_2025/eSCRIBE%20Documents/eSCRIBE%20Attachments/CWCD%202025-24%20Funding%20Announcement.pdf)

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