

Subject: Homelessness Prevention Program Investment Plan 2023-2024

File Number: ACS2023-CSS-GEN-007

Report to Community Services Committee on 23 May 2023 and Council

24 May 2023

**Submitted on May 11, 2023 by Clara Freire, General Manager (Interim) –
Community and Social Services**

Contact Person: Paul Lavigne, Director, Housing Services

613-580-2424 x43206, paul.lavigne@ottawa.ca

Ward: Citywide

**Objet: Plan d'investissement 2023-2024 pour le Programme de prévention
de l'itinérance**

Dossier : ACS2023-CSS-GEN-007

Rapport au Comité des services communautaires

le 23 mai 2023

et au Conseil le 24 mai 2023

**Soumis le 11 mai 2023 par Clara Freire, Directrice générale (par intérim) –
Services sociaux et communautaires**

Personne ressource: Paul Lavigne, directeur, Services de logement

613-580-2424 x43206, paul.lavigne@ottawa.ca

Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That Community Service Committee recommends Council approve:

- 1. That the Director, Housing Services, be delegated the authority to approve the City's Homelessness Prevention Program (HPP) 2023-2024 Investment Plan, which sets out the details of the program and spending plan outlined**

in this report and to submit it to the Ministry of Municipal Affairs and Housing;

2. That in the event additional funding becomes available under the Homelessness Prevention Program due to any reallocation by the Ministry, the Director, Housing Services, be delegated authority to amend the Investment Plan and allocate the additional funding within the HPP service categories, in keeping with this report;
3. The consolidation of the City-funded Housing and Homelessness Investment Plan (HHIP), Supports in Social Housing Program (SSH), and other homelessness funds into a single “City Homelessness Funding” program that follows the guidelines of the provincial Homelessness Prevention Program, as well as any applicable City policies, programs, and objectives approved by council, as further outlined in this report; and
4. Suspending the notice required under Subsections 29(3) and 34(1) of the Procedure By-law to consider this report at its meeting on May 24, 2023 in order to consider the matter within the provincial timeline.

RECOMMANDATIONS DU RAPPORT

Que le Comité des services communautaires recommande au Conseil d’approuver ce qui suit :

1. Que soit conféré au directeur des Services de logement le pouvoir d’approuver le Plan d’investissement du Programme de prévention de l’itinérance (PPI) de la Ville de 2023-2024, lequel fixe les détails du programme et du plan de dépenses énoncés dans le présent rapport, et de le soumettre au ministère des Affaires municipales et du Logement;
2. Que, dans l’éventualité où des fonds supplémentaires se libèreraient dans le cadre du Programme de prévention de l’itinérance en raison d’une réaffectation par le ministère, le directeur des Services de logement se voie déléguer le pouvoir de modifier le Plan d’investissement et d’attribuer lesdits fonds supplémentaires au sein des catégories de services du PPI, selon le processus établi dans le présent rapport;
3. La consolidation du financement municipal du Plan d’investissement pour le secteur du logement social et l’itinérance (PISLSI), le Programme de logement social avec soutien (PLSS) et d’autres financements prévus pour

la lutte contre l’itinérance en un programme unique de « financement municipal de lutte contre l’itinérance » qui suit les lignes directrices du Programme provincial de prévention de l’itinérance, ainsi que toute politique, tout programme de la Ville et les objectifs approuvés par le Conseil, précisés davantage dans le présent rapport;

- 4. Surseoir à l’avis exigé en vertu des paragraphes 29(3) et 34(1) du Règlement de procédure d’examiner le présent rapport lors de sa réunion du 24 mai 2023 en vue d’étudier cette question dans les limites du calendrier provincial.**

EXECUTIVE SUMMARY

This report outlines the City’s proposed spending for the 2023/24 fiscal year under the provincial Homelessness Prevention Program (HPP). Staff are seeking delegated authority to approve and submit the required Investment Plan to the province, and to allocate funds in accordance with the HPP Program Guidelines and as set out in this report.

The provincial government is the largest contributor to the City’s homelessness funding portfolio, making up more than half of the City’s homelessness funding. In 2022, the Ministry of Municipal Affairs and Housing (MMAH) announced their commitment to increasing affordable housing options and reducing homelessness through an investment of almost \$1.1 billion. At this time, they also consolidated three former provincial funding streams beginning April 1, 2022: Community Homelessness Prevention Initiative (CHPI), Home for Good (HFG), and the Strong Communities Rent Supplement Program (SCRSP) into one flexible new program called the Homelessness Prevention Program. In the first year for this new program, the City of Ottawa’s 2022-2023 HPP allocation was \$47,619,500.

In March 2023, MMAH announced they would again increase their investment across Ontario by an additional \$202 million annually under the HPP and Indigenous Supportive Housing Program (ISHP), bringing total provincial funding under these programs to over \$695 million. Of this increase, the City of Ottawa was allocated a 1.8% funding increase (\$845,100 above the original 2022-2023 investment) which is 0.4% of the province’s new investment. The City’s total annual allocation from April 1st, 2023, to March 31st, 2026, is \$48,464,600.

Since this allocation increase was announced, the City has engaged in advocacy efforts to request that the province review its’ allocation decision. On April 26, 2023, a report titled “2023-26 Allocation of Provincial Homelessness Prevention Program Funding” was brought forward to City Council at the request of the Mayor’s Office. The purpose of this report was to share information about Ottawa’s HPP funding allocation and provide a high-level analysis of the impacts of the funding increase on delivering services and supports within Ottawa’s housing and homelessness sector over the coming three years ([ACS2023-CSS-GEN-0005](#)).

When consolidating the former provincial funding stream into HPP, MMAH made significant changes to the program's reporting requirements. The deadline to operationalize these required changes was April 1, 2023. Over the past year, staff have worked to re-structure the reporting methods and the system for compiling data from all the funded community agencies and City operations to successfully meet the province's requirements. These changes brought into alignment the provincial and federal funding portfolios, which together make up over three quarters (77%) of the City's homelessness budget. The remaining 23% of planned, dedicated funding for homelessness is municipally funded through the Supports in Social Housing (SSH) and Housing and Homelessness Investment Plan (HHIP) programs, as well as city funds ("other") used for housing-related benefits that support community needs that would otherwise be funded through the provincial allocation.

Staff propose that Ottawa's \$48,464,600 HPP allocation continue to be used to support the following service categories and initiatives for the 2023-24 fiscal year:

- street and community outreach and support services
- emergency shelter solutions
- housing assistance
- supportive housing including Residential Services Homes

Staff propose to broadly maintain the investments from the Council-approved 2022 HPP Investment Plan, to support and strengthen initiatives that are currently underway. These include the continuation of funding for long-term housing allowances (formerly funded through the provincial HFG and SCRSP programs), a landlord damage fund for Ottawa's Housing First program, street outreach to those living outdoors, emergency shelters and transitional housing, and Residential Services Homes.

New in this investment plan is a proposal to allocate funding to a pilot housing benefit for large families experiencing chronic homelessness.

Furthermore, funding would be allocated to a variety of general housing assistance programs that help to prevent homelessness and help people obtain and maintain suitable housing, including those leaving prison and hospital. HPP funds will also continue to be used to support services for tenants in supportive housing including scattered units, resource centres in social housing communities, and other supports and benefits to either prevent housing loss or enable housing retention such as paying utility/rent deposits, and rental arrears.

In addition to this investment plan, staff are recommending consolidating all City-funded SSH and HHIP programs, as well as other city homelessness funds, into one flexible and streamlined fund that aligns with the provincial HPP. The proposed changes would modernize and strategically align these funding portfolios focused on providing services and supports within the homelessness and housing service system as detailed below:

- 1) Consolidate the three municipal homelessness funding streams into one unified funding portfolio so that staff are managing one stream of "City Homelessness

Funding” for homelessness services that can be used with greater flexibility to address local needs and priorities; and

- 2) Align the funding requirements for this new City funding portfolio with the program guidelines and allowable expenses of the HPP program, as well as the applicable City policies, programs, and objectives approved by council under the previous funding structure.

RÉSUMÉ

Le présent rapport décrit les dépenses proposées de la Ville pour l'exercice 2023/24 dans le cadre du Programme provincial de prévention de l'itinérance (PPI). Le personnel demande qu'on lui délègue le pouvoir d'approuver et de soumettre le Plan d'investissement requis au gouvernement provincial et d'allouer des fonds conformément aux lignes directrices du Programme provincial de prévention de l'itinérance et comme cela est énoncé dans le présent rapport.

Le gouvernement provincial est le plus important bailleur de fonds dans le portefeuille de fonds alloués à la lutte contre l'itinérance de la Ville, constituant plus de la moitié du financement municipal pour les sans-abris. En 2022, le ministère des Affaires municipales et du Logement (MAML) a annoncé son engagement à accroître les solutions de logement abordable et à réduire l'itinérance au moyen d'un investissement de près de 1,1 milliard de dollars. Au même moment, le ministère a également consolidé trois précédents volets de financement à compter du 1^{er} avril 2022 : l'Initiative de prévention de l'itinérance dans les collectivités (IPIC), le Programme Logements pour de bon (LPB) et le Programme de supplément au loyer pour l'épanouissement communautaire (PSLEC) en un seul nouveau programme flexible intitulé le Programme de prévention de l'itinérance (PPI). Lors de la première année de ce nouveau programme, le montant de PPI alloué à la Ville d'Ottawa pour 2022-2023 était de 47 619 500 \$.

En mars 2023, le MAML a annoncé qu'il augmentera de nouveau son financement annuel partout en Ontario de 202 millions de dollars supplémentaires dans le cadre du PPI et du Programme de logement avec services de soutien pour les Autochtones (PISH), portant le total du financement provincial en vertu de ces programmes à plus de 695 millions de dollars. De cette augmentation, la Ville a obtenu une hausse de financement de 1,8 % (845 100 \$ en plus de l'investissement initial pour 2022-2023), ce qui représente 0,4 % du nouvel investissement du gouvernement provincial. L'allocation annuelle totale de la Ville du 1^{er} avril 2023 au 31 mars 2026 est de 48 464 600 \$.

Depuis que cette augmentation d'allocation a été annoncée, la Ville s'est engagée dans des activités de défense en vue de demander que le gouvernement provincial révise sa décision d'affectation de financement. Le 26 avril 2023, un rapport intitulé « Allocation du financement du Programme provincial de prévention de l'itinérance 2023-2026 » a été présenté au Conseil municipal à la demande du Bureau du maire. L'objectif de ce rapport visait à communiquer des renseignements au sujet de l'allocation de financement du PPI accordée à Ottawa et de fournir une analyse globale des effets de l'augmentation de financement sur la prestation des services et des soutiens au sein du secteur du logement et de la lutte contre l'itinérance d'Ottawa au cours des trois prochaines années ([ACS2023-CSS-GEN-0005](#)).

Lors de la consolidation des trois précédents volets de financement provincial au sein du PPI, le MAML a effectué des changements importants aux exigences en matière de rapport du programme. La date d'échéance de mise en œuvre de ces changements était le 1^{er} avril 2023. Au cours de l'année passée, le personnel a travaillé en vue de restructurer les méthodes de déclaration et le système de compilation des données provenant des organismes communautaires financés et des opérations municipales afin de parvenir à satisfaire aux exigences du gouvernement provincial. Ces changements ont été apportés à l'harmonisation entre les portefeuilles de financement du gouvernement provincial et du gouvernement fédéral, lesquels constituent ensemble plus de trois quarts (77 %) du budget de la lutte contre l'itinérance de la Ville. La partie restante de financement de 23 % planifiée et consacrée à la lutte contre l'itinérance est financée par la municipalité au moyen du Programme de logement social avec soutien (PLSS) et des programmes du Plan d'investissement pour le secteur du logement social et l'itinérance (PISLSI), ainsi que des fonds municipaux (« autres ») utilisés pour des prestations relatives au logement en soutien à des besoins communautaires qui seraient autrement financés par l'entremise de l'allocation provinciale.

Le personnel propose que l'allocation de PPI de 48 464 600 \$ d'Ottawa continue d'être utilisée pour soutenir les catégories et initiatives de services suivantes pour l'exercice 2023-2024 :

- Travail de rue et approche communautaire et services de soutien
- Solutions de refuge d'urgence
- Aide au logement
- Logements avec services de soutien, y compris les centres de services résidentiels

Le personnel propose de maintenir en grande partie les dépenses approuvées par le Conseil dans le cadre du Plan d'investissement du PPI de 2022 afin de soutenir et de renforcer les initiatives en cours. Ceci comprend la poursuite des allocations de logement à long terme (financées auparavant par le truchement des programmes LPB et PSLEC de la province), un fonds d'indemnisation des propriétaires pour le programme Logement d'abord d'Ottawa, les interventions auprès des personnes vivant à l'extérieur, les refuges d'urgence et les logements de transition, ainsi que les centres de services résidentiels.

Une proposition d'allouer du financement à un projet pilote de prestation de logement pour les familles nombreuses en situation d'itinérance chronique constitue une nouvelle composante de ce plan d'investissement.

En outre, du financement sera accordé à une variété de programmes généraux d'assistance au logement qui permettent de prévenir l'itinérance et aident les gens à trouver et à garder un logement convenable, y compris les personnes sortant de prison et de l'hôpital. Les fonds du PPI continueront aussi à être utilisés afin d'appuyer les services offerts aux locataires dans les logements avec services de soutien, notamment les logements dispersés, les centres de ressources dans les communautés de logements sociaux, ainsi que d'autres mesures de soutien et prestations pour prévenir la perte de logement ou permettre de garder un logement, comme le paiement des dépôts et des arriérés de loyer et de services publics.

En plus de ce plan d'investissement, le personnel recommande de consolider tous les programmes de PLSS ou PISLSI financés par la Ville, ainsi que d'autres fonds municipaux de lutte contre l'itinérance en un fonds flexible et simplifié qui s'harmonise au PPI du gouvernement provincial. Les modifications proposées pourraient moderniser et correspondre stratégiquement à ces portefeuilles de financement axés sur la prestation de services et de soutiens au sein du système de services de logement et de lutte contre l'itinérance comme exposé en détail ci-dessous :

1. Consolider les trois volets de financement municipaux de lutte contre l'itinérance en un portefeuille de financement unifié de manière à ce que le personnel gère un volet de « financement municipal de lutte contre l'itinérance » pour les services offerts aux sans-abris qui peuvent être utilisés avec davantage de souplesse pour répondre aux besoins et priorités locaux;
2. Faire concorder les exigences de financement de ce nouveau portefeuille de financement municipal aux lignes directrices du programme et dépenses

admissibles du programme de PPI, ainsi qu'aux politiques, programmes et objectifs municipaux applicables approuvés par le Conseil en vertu de la structure précédente de financement.

Financial Implications

In 2023-24, the City will receive \$48,464,600 from the provincial HPP, which is \$845,100 more than the HPP allocation from 2022-23. This additional funding will be used towards an increased investment in homelessness prevention for families and singles who are in receipt of social assistance, through the delivery of short-term housing stabilization benefits. This investment will help ensure households remain in their housing and ensure supports are being moved upstream to prevent homelessness.

Additionally, the consolidation of the municipally funded HHIP (\$15,295,948) and SSH (\$1,331,558) programs, as well as "other" city homelessness funds (\$11,675,000) would create a single City funding portfolio that totals \$28,302,506.

BACKGROUND

Ottawa funds a coordinated service system for preventing and responding to homelessness, using over \$83.5M in annual investments from all three levels of government. The funding streams are the provincial Homelessness Prevention Program (HPP), federal Reaching Home (RH), the City's Housing and Homelessness Investment Plan (HHIP), Supports in Social Housing (SSH) programs, and other city funding that support community needs otherwise funded by HPP (such as emergency shelter, housing-related benefits, and other homelessness services).

The provincial government is the largest contributor to this funding, investing more than half (58%) of the City's homelessness budget. City funds making up another 23% of the budget, and federal funds account for the remaining 19%.

For the 2023-2024 fiscal year, the funding breakdown for Ottawa's homelessness service system is:

- Provincial - Homelessness Prevention Programs (HPP): \$48,464,600
- Municipal:
 - SSH: \$1,331,558
 - HHIP: \$15,295,948 (\$6,159,265 of which is considered part of the homelessness budget)
 - City homelessness funds ("other"): \$11,675,000
- Federal - Reaching Home (RH): \$15,883,371

In addition to the dedicated homelessness funding portfolio, the City funds unforeseen costs to pay for offsite hotels and motels for families, as the family shelter system is significantly over-capacity. This deficit is an unknown cost that is not a part of the planned annual budget. In 2022, these costs resulted in an operating deficit of approximately \$8,000,000. Approximately half of this cost was offset by one-time provincial funding allocated to the Community and Social Services Department.

Overview of HPP

In 2022, the Ministry of Municipal Affairs and Housing (MMAH) made significant changes to the provincial funding program. MMAH announced their commitment to increasing affordable housing options and reducing homelessness through an investment of almost \$1.1 billion to sustain, repair and grow community housing, and address homelessness across Ontario. To achieve this, MMAH announced that they would consolidate the former provincial funding streams (Community Homelessness Prevention Initiative (CHPI), Home for Good (HFG), and the Strong Communities Rent Supplement Program (SCRSP)) into a new, flexible program now called the Homelessness Prevention Program (HPP). This program began on April 1, 2022. This fiscal year, 2023-24, will be the second year that the City administers provincial funding through this program.

Under the former CHPI, HFG and SCRSP programs, the City received a combined investment of \$46,053,419 for the 2021-22 fiscal year. In HPP's initial year, 2022-23, MMAH communicated to the City that the investments would remain the same as the 2021-22 investments under each pre-consolidation program. A breakdown of the funding amount by program is outlined below:

- Community Homelessness Prevention Initiative (CHPI): \$38,626,981
- Home for Good (HFG): \$4,731,980
- Strong Communities Rent Supplement Program (SCRSP): \$2,694,458

Staff proposed to maintain the investments previously planned through CHPI, HFG, and SCRSP to support and strengthen agreements and initiatives that were currently underway.

During this initial year of HPP, MMAH also increased their investment across Ontario by nearly \$25 million, bringing total provincial funding under the Homelessness Prevention Program to over \$463 million. Of this increased investment, MMAH allocated an additional ~\$1.5 million to Ottawa, bringing the City's allocation for the 2022-23 fiscal year to \$47,619,500. The HPP investment plan for 2022-2023 was approved by Council on April 27, 2022 ([ACS2022-CSS-GEN-007](#)). These funds were used to strengthen capacity within the sector and increase housing support services.

In 2023, MMAH announced they would again increase their investment across Ontario by an additional \$202 million annually under the HPP and Indigenous Supportive Housing Program (ISHP), bringing total provincial funding under the Homelessness Prevention Program to over \$695 million. Of this increase, the City of Ottawa was allocated \$845,100 annually above the original 2022-2023 investment. This is a 1.8% funding increase, representing only 0.4% of the province's new investment. The City's total annual allocation from April 1st, 2023, to March 31st, 2026, is \$48,464,600. Since this allocation increase was announced, the City has engaged in advocacy efforts to increase funding. On April 26, 2023, a report was brought forward to City Council at the request of the Mayor's office. The purpose of this report was to share information about Ottawa's HPP funding allocation and provide a high-level analysis of the impacts the

funding increase will have on delivering services and supports within the housing and homelessness sector over the coming three years ([ACS2023-CSS-GEN-0005](#)).

When consolidating the former provincial funding stream into HPP, MMAH also made significant changes to the program's reporting requirements. These changes were in response to recommendations from a 2021 audit by the Office of the Auditor General of Ontario.

The most notable of these changes were the updated reporting expectations requiring the City to report to MMAH on the unique households served by HPP-funded programs across the entire service sector, rather than by individual service providers. Additionally, HPP requires that the City report on which individuals and households who access HPP-funded supports fall into four priority groups; Indigenous people, youth, people exiting provincial institutions, and people experiencing chronic homelessness. Finally, HPP requires that all service providers contribute to the City's By-Name List (a comprehensive list of every person in a community experiencing homelessness, updated in real time) by April 1, 2023. The long-term goals of these changes are to establish a coordinated and comprehensive system with robust reporting capability that shows a client's journey throughout the homelessness continuum. These changes are also in line with recent Housing Services initiatives that have been focused on building a more robust dataset for the housing and homelessness sector that will support data-led decision making.

As of the April 1, 2023 deadline, City staff have developed an updated, comprehensive system of data collection that will allow Ottawa to provide MMAH with the information required under HPP.

In addition to meeting MMAH requirements, these changes align with the reporting requirements and goals of the federal funding program for homelessness services, Reaching Home. Both the federal and provincial funding programs, which together make up over three quarters of the City's homelessness funding, prioritize flexibility, system coordination, and data-informed approaches. The alignment between these funding programs is essential for the City's shift towards building an integrated systems approach with a common decision-making process and goals. Within this context, it is worth examining the third level of funding investments; the City's contribution to the homelessness service system.

Overview of City Funded Homelessness Funding Streams

Ottawa has three municipal funding streams for homelessness. One of these streams is not considered a program under the City's Grants and Contribution's Policy; these funds (referred to in this report as "other") are used for housing related benefits that support community needs not funded by the province. The two additional city-funded streams, HHIP and SSH, are specified homelessness funding programs.

To provide context, a brief history of each of these funding streams has been included below.

City Homelessness Funds (“Other”)

A portion of the City’s homelessness budget comes from “other” city funds, which are used for housing related benefits that support community needs otherwise funded by HPP. Examples of the use of these funds include emergency shelter, housing-related benefits and other homelessness services. These funds are not included in the City’s specified homelessness funding programs (HHIP and SSH). Rather, this funding stream is the remnant of a long-discontinued provincial cost-sharing program first developed in 2005. The provincial program, called the Consolidated Homelessness Prevention Program (CHPP), was the predecessor for the CHPI program which then, in turn, was consolidated in 2022 into HPP. CHPP had a provincial-municipal 80:20 cost-sharing ratio, wherein the province contributed 80% of the funding and the municipality (“service manager”) contributed the remaining 20%.

In 2013, when CHPP ended and CHPI was instituted as the new provincial funding program, this cost-sharing method was discontinued. Under CHPI, the province committed to providing service managers with a fixed funding allocation. However, the City continued the practice of using these previously allocated cost-sharing funds towards initiatives that were otherwise funded by the province. This was not considered a Grants and Contributions program, because at its inception it had been considered a part of the province’s CHPP program rather than a distinct City homelessness program like HHIP or SSH. For this reason, the City continues to administer \$11,675,000 for “other” homelessness funding that support community needs otherwise funded by the province.

Supports in Social Housing (SSH)

In 2009, in response to a gap in services for people experiencing long-term homelessness and living with disabilities, mental health and/or addictions, City Council invested \$1 million for services for people who were experiencing homeless or at imminent risk of homelessness through the Supports in Social Housing (SSH) program. This program is ongoing and is reaffirmed in each Term of Council through the Grants and Contributions policy. From its inception, the funding has been used to support people moving to, or living in, community housing including the provision of psychiatric nursing consultation. Its uses have evolved to using a Housing First model of service for four of the programs and to funding children’s programming in transitional housing for women and children fleeing abuse. This funding makes up approximately 1.5% of the City’s homelessness services budget. The Supports in Social Housing (SSH) program was most recently reaffirmed in 2021 ([ACS2021-CSS-GEN-011](#)).

Housing and Homelessness Investment Plan (HHIP)

On May 11, 2011, City Council approved the \$14 Million Housing and Poverty Reduction Strategy, now known as the Housing and Homelessness Investment Plan (HHIP) ([ACS2011-COS-CSS-0005](#)). The plan originally included seven investment “envelopes” with distinct, fixed parameters and targeted funds for exclusive use within each investment funding envelope type. The funds from one funding envelope cannot be redistributed to another. Over the subsequent decade, the parameters have remained largely unchanged, but the funding envelopes have been aggregated from seven to the following five:

- **# 1 - Employment Supports:** Program serving youth living in social housing with supports to employment, leadership development and post-secondary school mentorship
- **# 2 - ODSP Application Support:** Staff funded through community agencies to support clients making ODSP applications
- **# 3 - Shelters/Supports to Housing:** Supporting households with complex needs to obtain and/or maintain their housing
- **# 4 – Rent Supplements/Housing Allowances:** Providing either rent supplements or housing allowances
- **# 5 – Social Housing Repairs/Renewal:** Critical repairs to address health and safety needs, modifications to enhance accessibility for people with disabilities, and/or energy efficiencies in social housing

These envelopes within this program contribute not just to the City’s homelessness budget, but also to the City’s housing benefits budget and social housing budget, all of which are administered through Housing Services under the authority of the Director, Housing Services.

The envelopes that contribute to the homelessness budget are envelopes #1 (Employment Supports), #2 (ODSP Application Support) and #3 (Shelters/Supports to Housing). Combined, these envelopes contribute \$6,159,265 (approximately 7%) of the City’s homelessness budget.

Envelopes #4 (Rent Supplements/Housing Allowances) provides \$6,430,633 towards the housing benefits budget. The guidelines for the distribution for these funds were more recently determined per the April 2021 Housing and Homelessness Investment Plan – Housing Subsidies, approved by council on April 28, 2021 ([ACS2021-CSS-GEN-005](#)).

Envelope #5 (Social Housing Repairs/Renewal) provides \$2,628,287 towards the social housing budget. The guidelines for the use of these funds were determined in the 2011 Housing and Poverty Reduction Investment Plan ([ACS2011-COS-CSS-0005](#)) and have remained in place since that time.

The community need for the funds in each of these envelopes can fluctuate from year to year due to several factors, but the current structure does not allow staff to use the funds in response to current needs. The inability to redistribute funds between the

program's various initiatives to respond to community needs creates a significant administrative barrier to the most effective use of these funds.

In the 2016 Housing Services and Community Funding: Grants and Contributions report ([ACS2016-COS-CSS-0004](#)), Council approved that "Effective this term of Council, any future reporting on the HHIP will be included as part of the reporting requirements of the 10 Year Housing and Homelessness Plan." Subsequently, HHIP was not included in the 2021 reaffirmation report as its program approval in the 2021 Housing and Homelessness Workplan 2021- 2022 ([ACS2021-CSS-GEN-003](#)), had already occurred during that Term of Council.

DISCUSSION

Staff recommend that the 2023-24 provincial HPP allocation continue to be used to support homelessness services and initiatives that are in keeping with the previous year's spending. The suggested services and initiatives will fall into the following HPP categories for the 2023-24 fiscal year:

- Community outreach and support services: \$2,607,444
- Emergency shelter solutions: \$21,440,275
- Housing assistance: \$8,195,375
- Supportive housing: \$13,798,275
- Administration: \$2,423,230

This proposed 2023-2024 Investment Plan largely reflects the ongoing funding of provincial HPP-funded services from the 2022-23 fiscal year, as well as the services funded under the former Community Homelessness Prevention Initiative (CHPI), Home for Good (HFG), and the Strong Communities Rent Supplement Program (SCRSP).

The additional \$845,100 added to the program funding this fiscal year will be used towards an increased investment in homelessness prevention for families and singles who are in receipt of social assistance, through the delivery of short-term housing stabilization benefits. This investment will help ensure households remain in their housing, moving supports upstream to prevent homelessness.

In the event additional funding becomes available under the Homelessness Prevention Program due to any reallocation by the Ministry, this funding will be allocated in accordance with the five HPP categories laid out within this report, based on community need.

Details of HPP Services and Initiatives for the 2023-24 Fiscal Year

Community Outreach and Support Services

The City proposes to continue to use the provincial HPP funding for two street outreach programs. These vans are operated by The Salvation Army and Minwaashin Lodge. The Salvation Army's outreach van provides direct support to people staying outdoors or connects them to community services in the areas of housing, health and personal safety. The Minwaashin Lodge outreach van operates in the Vanier area, focusing on

Indigenous clients. It links and transports people experiencing homelessness to safe shelter and facilitates their access to culturally sensitive support services.

The HPP funding would also continue supporting the Elizabeth Fry Society to work with women in correctional institutions and to assist men and women when released from the courthouse. Additionally, the Families First program would continue to support families moving from shelter to maintain housing.

The final recommendation in this category is to continue funding a rooming house community support worker through Housing Help. The Housing Help support worker monitors and liaises with licensed rooming houses to ensure compliance with rooming house standards and refers rooming house tenants to appropriate services.

It is recommended that \$2,607,444 from the HPP funding be allocated to these community outreach and support services for the 2023-24 fiscal year.

Emergency Shelter Solutions

Staff recommend that HPP funding be used to fund 10 community shelters/transitional housing programs run by eight agencies:

- Three for families, including newcomer families;
- Two for single adult men;
- One for single women;
- One for both single men and women; and
- Three youth shelters (male/female/female prenatal-postnatal)

It is recommended that \$21,440,275 fund these community shelters/transitional housing programs. The City also provides funding for the Carling Family Shelter and any deficit for overflow motel/hotel costs that are used when the family shelter system is at capacity.

Housing Assistance

This service area can be categorized into long-term financial assistance, short-term financial assistance, and non-financial assistance which includes supports to prevent homelessness and help people obtain housing. It is recommended that the bulk of the HPP funding allocated to housing assistance be invested into long-term financial assistance, with the remaining funding allocated to short-term financial assistance and non-financial assistance.

- **Long-term assistance**

Staff propose that long-term financial assistance be provided to qualified participants through the following services:

- **Housing First Long-Term Financial Assistance (Formerly Home for Good Program):** A portion of HPP will be used to continue funding housing allowances, which have been provided to clients of Ottawa's Housing First program since January 2018, formerly from the Home for Good program. This

portion of the HPP funding envelope currently serves 360 households and staff anticipate adding approximately 180 households to this program during the 2023-24 fiscal year. Staff recommend the allocation of \$3,043,440 for Ottawa's Housing First program's housing allowances in the HPP investment plan.

- **Other Long-Term Assistance (Formerly Strong Communities Rent Supplement Program):** Funds from the former Strong Communities Rent Supplement Program will continue to be used to provide long-term financial assistance in the form of housing benefits. These housing benefits will include the continuation of support for approximately 155 households that formerly received SCRSP housing benefits administered through the City of Ottawa's Rent Supplement branch. Staff recommend the allocation of approximately \$1.2 million to maintain this program.
- **Long-Term Assistance Pilot (New Housing Benefit for Large Families Experiencing Chronic Homelessness):** Currently, all households living in emergency shelters are eligible for the Canada Ontario Housing Benefit (COHB). Unfortunately, COHB is prohibitive to large families, as the subsidy provided under COHB is insufficient to help large families pay market rent for appropriately sized units. This has led to large families remaining in shelter longer while waiting for limited rent-geared-to-income stock to become available.

To help transition these large families into permanent housing, staff are implementing a pilot that specifically targets large, chronically homeless families. Like other housing benefits, households will be required to meet eligibility criteria under the 2011 [Housing Services Act](#). They must also be chronically homeless (i.e. have spent more than 180 cumulative nights over the past year in a shelter) and have seven or more household members. There are currently 15 families who meet this eligibility criteria within the City of Ottawa's shelter system. The initial pilot will serve between 5-10 families and may expand thereafter based on available funding and the outcome of the pilot evaluation. This benefit will provide deeper affordability, as it will be calculated using the same calculation as rent-geared-to-income housing subsidies.

An example can be seen here:

| Scenario (Household Composition & Rental Cost) | COHB (monthly) | Pilot Benefit (monthly) | Pilot Benefit Additional Support |
|---|-----------------------|--------------------------------|---|
| Single parent with 6 children under 17 years of age in a 5-bedroom townhouse (rental cost \$1882) | \$1,026.80 | \$ 1486.00 | +\$459.20 |
| Couple with 7 children under 17 years of age in a 5-bedroom townhouse (rental cost \$1882) | \$891.00 | \$ 1416.00 | +\$525 |

The Director, Housing Services may exercise discretion on an exceptional basis to enroll families of fewer than seven or who are not chronically homeless when circumstances dictate that a traditional temporary emergency accommodation placement is not appropriate or available.

- **Short-term assistance**

Apartment set-up funds are made available to programs that help single people move to housing from the shelter system, including through Housing First programs and the single adult shelters' Shelter-to-Housing Case Managers. A "Landlord Damage Fund" reimburses, at the discretion of the Director, Housing Services, landlords for the cost of significant damage done to their property by a Housing First client. The goals are to prevent the client from being evicted and returning to homelessness and to retain landlords participating in the program. In some cases, the City also pays rental arrears for clients of social housing and rent supplement/housing allowance programs. Finally, housing-related benefits are provided to individuals and families who are experiencing homelessness or are at risk of it, to help them obtain or retain affordable housing. Subsidies are provided for rent and utility arrears, for last month's rent to help secure housing, utility deposits, moving expenses, essential furniture, and direct payment of rent.

- **Non-financial assistance**

Non-financial assistance is provided through seven funding agreements with community agencies that provide "General Housing Assistance" services to various clienteles, including Inuit, Indigenous people, new Canadians, and others. These services include help in locating housing, negotiating with landlords, and providing assistance at the Landlord and Tenant Board. One agency is funded to deliver a trusteeship program for those who are unable to manage their own finances.

The proposed total yearly investment in the funding category of housing assistance totals \$8,195,375

Supportive Housing

The City provides operating funding to many supportive housing programs, using homelessness funding from all three levels of government. Staff recommend allocating \$13,798,275 to supportive housing programs.

These programs provide permanent housing in self-contained units with individual washrooms and usually kitchens, as well as on-site supports, either during the day or 24-hours per day, depending on the service model. The supports include individual case management, group activities, vocational opportunities, and recreational programming. Supportive housing programs all provide individually tailored case management supports to assist tenants according to their needs. Some programs provide the tenants' meals and/or support with food security. This funding, along with the federal Reaching Home Program, will help to offset future operating pressures from the 224 supportive housing units under construction.

Other funded programs provide housing supports to people living in scattered apartments. This includes eleven Housing First programs to which individuals are matched through the City's Housing First Coordinated Access function. Housing First helps people find housing and live independently, while building life skills and providing the supports people need to live independently and maintain their housing. Addiction, mental health, and life skills supports are provided as needed.

As part of the HPP funding envelope, staff recommend continuing to allocate about \$7.6 million to approximately 950 beds across 25 Residential Services Homes (RSHs). RSHs are private or non-profit residences providing long-term housing to vulnerable adults who require some assistance with activities of daily living. These individuals are typically living with one or more psychiatric, developmental, or physical illnesses and/or disabilities. RSHs reduce homelessness among vulnerable people who are not able to live independently in the community.

Administration

Under the HPP guidelines, the maximum amount of funding the City is permitted to use to reimburse administrative costs is 5% of the funding, or \$2,423,230. For 2023-24 and beyond, staff propose to continue to use this funding as follows:

- Salaries and benefits of staff who administer the funding for homelessness programs, rent supplements/housing allowances, housing-related emergency benefits and emergency shelters
- Salaries and benefits of staff of the family emergency shelter system

HPP Investment Summary

The services and initiatives in this investment plan for the 2023-24 fiscal year are a representation of the goals and values of the newly consolidated HPP funding stream. As stated by MMAH:

“The Homelessness Prevention Program intends to provide municipalities with greater flexibility to support a wide range of homelessness prevention and

supportive housing activities. The primary purpose of this program is to provide housing assistance and support services to vulnerable populations to prevent chronic homelessness and support recipients to remain stably housed over time. It is also intended to provide municipalities with flexibility to fund capital projects and provide longer-term rental assistance as appropriate”.

The provincial HPP guidelines are complimentary to the federal Reaching Home Program’s guidelines. In response to the many challenges in the homelessness landscape, both have adapted to prioritize flexibility, responsiveness, and system coordination. Given the alignment of these two funding streams, which together make up over three quarters (77%) of Ottawa’s homelessness budget, staff propose that the City make updates to the remaining municipal funding in accordance with these priorities as well.

Pressures in the Homelessness Landscape

As previously discussed, the program guidelines and goals for the various City funding streams were developed between 12-18 years ago, when the landscape of the service system was very different. Since the inception of these funding streams, the prevalence and complexity of homelessness has significantly increased, and Ottawa’s system faces enormous challenges. Between the years of 2014-2019, there were six consecutive years of increases in the shelter population, averaging 5% per year.

In January 2020, Ottawa’s City Council declared a housing and homelessness crisis and emergency. This declaration was in direct response to the unprecedented numbers of people seeking asylum from the United States, low rental vacancy rates, and a severe shortage and ongoing loss of affordable rental units for both singles and families. These factors were combined with insufficient social assistance rates that have not kept up with the costs of housing or other basic living needs. Other challenges to affordable housing supply in our community include:

- an overheated housing market;
- population growth;
- rising house prices and rents;
- an exponential increase in building costs; growing income disparity;
- the redevelopment of older housing stock and the resulting displacement of existing residents;
- the permanent loss of rental stock that had been kept affordable through rent control, once tenants move out or are legally or illegally evicted;
- and well as the growing waitlist for social housing.

The onset of COVID-19 led to a temporary reduction in shelter stays due to direct federal payments to people who lost employment, the moratorium on residential housing evictions in Ontario, and travel restrictions. These changes coincided with a 48.9% drop in the number of refugee claimants from the United States at irregular border crossings who had been accessing Ottawa’s shelter system. However, during the pandemic, encampments increased significantly due to the concerns of people experiencing homelessness regarding density in shelters and the need for physical

distancing. For those who did reside in emergency shelters, the length of stay increased by about 23%.

Additionally, the strain placed on emergency shelter providers to maintain operations while also meeting public health measures in congregate living settings was tremendous. In the past year, the number of shelter clients has increased to pre-pandemic levels as travel restrictions and eviction moratoriums have been lifted, and specialized federal financial supports to individuals have ended. Meanwhile, the number of people staying in encampments has remained significantly higher than pre-pandemic levels.

Finally, these challenges have also been compounded by the shortage of support services, including: an insufficient supply of support services for mental health and addiction issues, which has been exacerbated by the opioid crisis; the ongoing impacts of the pandemic; the increasing complexity of clients' issues coupled with significant gaps within our health care system; and the funding and program silos within and among governments and ministries. Rapidly rising rents and low social assistance rates are now making housing of all types, including rooming houses, unattainable for low-income residents and the impacts are most significantly felt by Indigenous peoples, veterans, youth, older adults, women, people with disabilities and newcomers who face many structural and systemic barriers to acquiring and sustaining affordable housing.

Aligning City Funding Streams

To address these issues and meet the needs of the community, Ottawa's integrated homelessness and housing system has grown significantly. There are now over 60 agencies operating within this system, 30 of which fall into the category of homelessness response. The City administers over \$83.5 million in annual funding to the homelessness sector alone.

Alignment between funding streams is a substantial factor in creating operational efficiencies and making the best use of staff time and resources. It also increases efficiency and flexibility to respond to the community's needs through calls for proposals processes, consistent development and monitoring of funded programs, and supports a coordinated, client-focused system-wide reporting process.

Both the provincial and federal governments have moved in this direction by each administering funds through a single homelessness funding program and aligning the priorities of these programs with each other. Currently, the City's three funding streams are administratively burdensome and therefore do not effectively support these same goals.

As previously described, the larger of the City's homelessness funding programs, HHIP, is made up of five specific funding "envelopes". These envelopes fund programs established over a decade ago to support City initiatives that have since been updated and reframed as part of the development of the 10 Year Housing & Homelessness Plan. All five funding envelopes fall under the authority of the Director, Housing Services. They contribute to the budgets for homelessness, housing benefits, and supportive housing. The community need for the funds in each of these envelopes can fluctuate

from year to year due to several factors, but the current structure limits staff's ability to use the funds to respond to current needs. It also significantly increases the administrative burden when community agencies receive funding from more than one envelope.

Furthermore, administering the City's investments through three separate funding streams is highly inefficient and creates an unnecessary administrative burden taking focus away from service delivery.

In order to enable more responsive funding decisions and increase administrative efficiency, staff recommend the following updates to the City's homelessness system funding streams:

- 1) Consolidate the three City funding streams into one "City Homelessness Funding" portfolio that could be used with greater flexibility to address local needs and priorities.
- 2) Align the funding requirements for this updated City Homelessness Funding portfolio with the program guidelines and allowable expenses of the HPP program, which guides the largest portion of the City's homelessness budget.

This alignment will allow better system coordination and permit funding to be used based on need rather than being restricted to pre-set and inflexible categories. All programs currently funded through HHIP are allowable through the flexible provincial guidelines and the change would not result in service disruptions. Importantly, Housing Services will continue to adhere to the council-approved eligibility and selection criteria for the programs Rent Supplements/Housing Allowances (Envelope #4) and Social Housing Repairs/Renewal (Envelope #5) as laid out earlier in this report and in accordance with the requirements of the City's Grants and Contributions policy, as well as any applicable City policies, programs, and objectives approved by council under the previous funding structure.

This proposed consolidation will create substantial administrative efficiencies, while still adhering to the policies, programs, and objectives approved by council under the previous funding structure and adhering to the City's Grants and Contributions policy and procedures.

FINANCIAL IMPLICATIONS

In 2023-24, the City will receive \$48,464,600 from the provincial HPP, which is \$845,100 more than the HPP allocation from 2022-23. This additional funding will be used towards an increased investment in homelessness prevention for families and singles who are in receipt of social assistance, through the delivery of short-term housing stabilization benefits. This investment will help ensure households remain in their housing and ensure supports are being moved upstream to prevent homelessness.

Additionally, the consolidation of the municipally funded HHIP (\$15,295,948) and SSH (\$1,331,558) programs, as well as "other" city homelessness funds (\$11,675,000) would create a single City funding portfolio that totals \$28,302,506.

LEGAL IMPLICATIONS

There are no legal impediments to the implementation of the report recommendations.

COMMENTS BY THE WARD COUNCILLOR(S)

N/A

ADVISORY COMMITTEE(S) COMMENTS

N/A

CONSULTATION

In 2004 the Homelessness Community Advisory Board (CAB) and Aboriginal Community Advisory Board (ACAB) were created to provide guidance to the City's Housing Services in the ongoing process of developing both the homelessness services system and to give input to the City's periodic system planning documents related to homelessness. The most recent such plan to which these groups provide input is the City's Ten-Year Plan on Housing and Homelessness. The CAB's and ACAB's memberships include representatives from a broad range of sectors including social housing (non-profit and co-ops), shelters, housing and homelessness supports and prevention, supportive housing, and Indigenous partners. The CAB or its Allocation Committee was consulted when the various allocations discussed in this report were made. The CAB has three Indigenous representatives who are also ACAB members, and all funding allocation committees include an Indigenous person appointed by the ACAB.

Housing Services also conducts ongoing consultation with the 30 agencies to which it provides ongoing funding for homelessness services. This consultation takes place through both ongoing monitoring activities and through meeting with the agencies in the many sectoral working groups that make up the City's Coordinated Access governance structure.

ACCESSIBILITY IMPACTS

All funding categories of the Homelessness Prevention Program provide a direct benefit to households with disabilities, especially supportive housing and housing assistance. This investment plan for the provincial HPP reflects the goals of the 10-Year Housing and Homelessness Plan which focuses on helping chronically homeless people in the shelter system and others on the waitlist, or who are at-risk of homelessness who may be living with a physical disability, developmental disability, mental health conditions and acquired brain injury to transition to housing that meets their needs.

INDIGENOUS GENDER AND EQUITY IMPLICATIONS

Indigenous Policy Considerations

Indigenous peoples are a priority group that is specifically supported through services and organizations funded through HPP and the other streams, including short- and

long-term housing assistance provided through housing allowances. The HPP funding supports Indigenous-specific services through Tungasuvvingat Inuit, Minwaashin Lodge, and Wabano Centre for Aboriginal Health. Community outreach and support services specific to Indigenous peoples are offered through Tewegan and Tungasuvvingat Inuit, as well as through Minwaashin Lodge, which operates an HPP-funded outreach van. Services through other funding streams include supports at transitional housing for Indigenous young women through Tewegan, as well as outreach and Housing First through Wabano.

Gender and Equity Implications

Many of the service areas targeted by HPP respond to issues that disproportionately impact women. The funding allocated towards these areas therefore benefits women and supports gender equity. For example, funding used for family emergency shelter and short and long-term housing assistance for families disproportionately supports female-led households, including the large-family benefit discussed in this report. Several other emergency shelter solutions funded through HPP provide women and gender non-conforming individuals with shelter services, including St-Mary's Home (pre- and post-natal youth), Evelyn Horne Youth Women's Shelter, Cornerstone (single women) and Tewegan (Indigenous women). Additionally, Elizabeth Fry is funded through HPP to support women in, as well as those transitioning out of, correctional institutions.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

RURAL IMPLICATIONS

There are no rural impacts associated with this report.

TERM OF COUNCIL PRIORITIES

The recommendations of this report support the 2019-2022 Strategic Priority: Thriving Communities. The recommendations will specifically enhance the City's ability to support vulnerable members of the community and support the development of affordable and supportive housing options and homelessness solutions.

DISPOSITION

Upon receipt of funding from the Ministry of Municipal Affairs and Housing, Housing Services will deliver the Homelessness Prevention Program funding as described in this report.