



## REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, SEPTEMBER 4, 2024

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**SUBJECT**      **Capital Regional District's Role in Regional Homelessness and Alliance to End Homelessness in the Capital Region Funding Increase Request**

### **ISSUE SUMMARY**

This report outlines the current role of the Capital Regional District (CRD) on the issue of homelessness in response to a motion adopted by the CRD Board in April 2024 (Appendix A) and considers a request for additional funding to support the Alliance to End Homelessness in the Capital Region (AEHCR) received on August 15, 2024 (Appendix B).

### **BACKGROUND**

Experiences of homelessness are the result of an intricate interplay between structural factors (e.g., rents are too high, incomes are too low, etc.), systemic failures (e.g., difficult transitions from child welfare, correctional facilities, hospitals, etc.) and personal circumstance/relational challenges (e.g., traumatic events, personal crisis, mental health, and substance use challenges, etc.). Intervening in, and/or preventing homelessness, is often complicated as the line between being housed and unhoused can be fluid and the recovery from homelessness for individuals or households is neither linear nor uniform.

Additionally, the tension between structural factors and systemic failures – where program design and policy decisions are often made by senior orders of government, while individual and household needs are often delivered at the community-level – introduces considerable complexity in advancing solutions. Therefore, much of the work undertaken related to homelessness is through a collaborative and community-based approach.

The CRD has been active in working to address the needs of those experiencing or at-risk of homelessness since the update of the *Regional Housing Affordability Strategy* (RHAS) in 2007. This document included “Strategy 5: Expand the scope of the Victoria Homelessness Community Plan to the region as a whole”. An additional update to the RHAS in 2018 included “Goal 4: Develop and operationalize a regionally coordinated housing and homelessness response.” Building on the 2018 RHAS, the CRD also includes in its *2023-2026 Corporate Plan*, “Initiative 5c-1: Support a coordinated, regional, and collaborative response to homelessness”. The CRD’s specific role pertaining to regional homelessness can be distinguished between the administration of services on behalf of other orders of government and direct service delivery (Appendix C) as authorized under the CRD’s Community Health Service and the Land Assembly, Housing, Banking and Housing Service.

### **ALTERNATIVES**

#### *Alternative 1*

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

1. That the Capital Regional District (CRD) commits to continue funding the Alliance to End Homelessness in the Capital Region through annually negotiated service agreements at their core service level of \$225,000 to the end of 2026; and
2. That the CRD includes a one-time increase of \$100,000 in the CRD’s 2025 Financial Plan for CRD staff to undertake regional engagement to determine the CRD’s potential role in advancing regional supportive housing and sheltering objectives.

*Alternative 2*

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

1. That the Capital Regional District (CRD) commits to funding the Alliance to End Homelessness in the Capital Region through annually negotiated service agreements at an increased funding amount of \$145,000 to a total of \$375,000 starting in 2025 and then indexed to inflation 2026-2030; and
2. That the CRD includes a one-time increase of \$100,000 in the CRD's 2025 Financial Plan to undertake regional engagement to determine the CRD's potential role in advancing regional supportive housing and sheltering objectives.

*Alternative 3*

That this report be referred to staff for additional information based on the Hospitals and Housing Committee direction.

**IMPLICATIONS**

*Service Authority Implications*

Currently, there are two established authorities through which the CRD supports efforts related to homelessness. *Supplementary Letters Patent-Community Health* dated May 16, 1974, and the amendment dated December 19, 1986, provide a narrow scope of service delivery that is focused through the Community Health Service. It is through this service that the CRD provides operational funding to the Aboriginal Coalition to End Homelessness (ACEH) and the AEHCR. Bylaw No. 3712 Land Assembly, Housing and Land Banking authorizes the CRD to participate in senior order government housing programs, such as the Reaching Home Program (RHP), the Rapid Housing Initiative (RHI), and the Strengthening Communities' Services Program (SCSP).

Should the CRD Board wish to revisit the role of the CRD in addressing homelessness beyond its support to the ACEH and AEHCR and outside of the various programs it currently administers, it may require amending the CRD's existing service authority or establishing a new service. Prior to considering any adjustments to existing service levels, or creating a new service, staff would recommend that region-wide engagement be undertaken to help identify the differentiated value proposition that the CRD could provide in support of community-level outcomes within the context of an increasingly complex homelessness intervention landscape.

*Service Delivery Implications*

Specific to the motion adopted by the CRD Board in April 2024, the CRD-AEHCR 2024/25 Service Agreement, attached as Appendix D, identifies under s. 4.1 that the AEHCR will prepare a *2024/25 Regional Resources Guide* that will provide a regional overview of services that are available through BC211, which includes those related to homelessness, housing, employment, financial assistance, food, and basic goods, etc. Further, the CRD-AEHCR 2024/25 Service Agreement includes under s. 2.1 a Regional Overview of Permitted Sheltering Spaces that will detail municipal areas across the capital region where those who are unhoused can camp, shelter, or park their vehicle overnight. S. 4.1 and s. 2.1 of the CRD-AEHCR 2024/25 Service Agreement address parts one and two of the April 2024 CRD Board motion.

The third part of the April 2024 CRD Board motion is currently being advanced through the CRD's administration of the RHP. Specifically, the ongoing implementation of Coordinated Access (CA) and the Homelessness Individuals and Families Information System (HIFIS). A staff report from February 2024 (Appendix E) details the RHP and outlines the CRD's obligations to the Government of Canada regarding the RHP's administration and deliverables.

In early 2024, the CRD, in its capacity of Community Entity (CE) under the RHP, signed a Project Charter for Phase 1 of HIFIS Community Deployment. This project charter maps out a collaborative approach whereby HIFIS access will be expanded to all service providers that require access to BC Housing's HIFIS license. Importantly, the project charter also provides for roles and responsibilities of the CRD that include such tasks as establishing local governance and community buy-in, completing community system mapping, and securing local resources for a local HIFIS lead role, etc. The roles and responsibilities of Phase 1 of the project charter were considered through Initiative Business Case (IBC) 5d-1.1 Regional Data System and HIFIS as a part of the CRD's 2025 Service Planning Process. This IBC seeks a one Full Time Equivalent (FTE) term position for a Community HIFIS Coordinator from January 2025 to March 2026 and will be considered by the CRD Board through the 2025 Financial Plan.

Currently, funding through the RHP is fully committed to support community organizations in delivering services and advancing the CRD's work under CA and HIFIS. CRD staff have not yet received confirmation that funding will be available beyond March 31, 2026, and this uncertainty impacts the ability of staff to engage in new initiatives related to regional homelessness. Additionally, the potential end of the program in March 2026 raises concerns about the sustainability of regional homelessness initiatives, as a lack of continued funding could disrupt or reduce essential services that are currently supported by the RHP.

Alternative One maintains the core funding level to the AEHCR of \$225,000 per year. It is likely this alternative would require a recalibration of CRD expectations related to AEHCR outputs as the AEHCR may have to reduce their activities to absorb costs associated with inflation and/or seek additional funding sources. This alternative, if approved, would result in CRD staff working through the annual negotiation of the CRD-AEHCR 2025/26 service agreement to determine the appropriate scope of work given the available resources, the identified needs of the CRD, and AEHCR priorities. It would be the CRD staff's intent to focus the activities of the AEHCR to convening various community-based tables, advancing information sharing across these tables, and supporting other CRD-led initiatives related to homelessness. Alternative One would further enable the CRD to provide for a one-time budget increase for CRD staff to undertake works in support of the motion adopted by the CRD Board in April 2024. The \$100,000 would be used to support region-wide engagement activities that could include, but are not limited to, municipalities, electoral areas, community-based service agencies and local, provincial, and federal partners and other stakeholders.

The work undertaken through the engagement process would provide the CRD with a comprehensive understanding of what additional role it could play in support of regional efforts as well as enable staff to determine any potential implications associated with adjusting service levels related to homelessness. This would be critical should there be any reduction of funds that are available through the RHP or should the program not be extended. If, following regional engagement activities, it is the intent of the CRD Board to amend existing or establish new service levels, this engagement would be foundational to articulating the business case and would support any communication that may be required with the broader public. Further, as staff work to initiate an update to the RHAS in the coming year, this engagement work would serve to inform a more comprehensive articulation of the role of the CRD in supporting efforts to address homelessness, which would be included in the updated RHAS.

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Alternative Two would see the CRD provide a five-year increased funding commitment to support the operations of the AEHCR. Though it would not be CRD staff's intent to enter into multi-year funding agreements, this alternative would provide the additional security to the AEHCR and the CRD would work through the annual service agreement cycle to ensure identified projects and deliverables reflected the identified needs of the CRD Board. Further, this alternative would also ensure the CRD has sufficient resources available through the 2025 Financial Plan to undertake engagement work as detailed above.

*Financial Implications*

In May 2024, the CRD Board received a staff report detailing the 2025 Service and Financial Planning Guidelines where it was outlined that the Executive Leadership Team (ELT) has set the target for service and financial planning of 3.0% as a percentage increase over the 2024 Budget. It should be noted that the Alliance to End Homelessness in the Capital Region – Funding Request staff report from October 2023 (Appendix F) detailed a going concern related to the operations and long-time viability of the AEHCR. Further, the letter received on August 15, 2024, notes that the "Alliance is currently forecasting a deficit for fiscal 2025 and further deficits for subsequent years. We continue to seek diversification of revenues through grants and other fund development activities, including fundraising."

In a review of the materials provided by the AEHCR, CRD staff note that the going concern related to society operations is not resolved. The 2024 financial statements show a deficit of (\$62,613) in 2023, with another deficit of (\$90,511) shown in 2024. The AEHCR was able to absorb the operational deficit through a one-time gain on the sale of tangible capital assets. CRD staff also reviewed the Fiscal 2025 Budget as provided by the AEHCR and see that the society is anticipating a 2025 deficit of (\$36,633). It should be noted that the August 15, 2024, letter states that the "AEHCR has a Service Agreement with Island Health for \$70,000. However, the terms of the current agreement with Island Health will end on November 30, 2024." As the Fiscal 2025 Budget provided by the AEHCR depicts anticipated revenue of \$100,000 for their 2024/25 budget year and the letter states that Island Health is providing \$70,000 through to November 30, 2024, there may be an additional \$30,000 revenue shortfall which would further increase the AEHCR's anticipated 2025 deficit.

Alternative One would see the CRD continue to contribute a total of \$225,000 annually, which is consistent with the current core service level. Due to the tenuous financial position of the AEHCR, staff will intend to advance annual renewal of the Service Agreement with quarterly disbursement clauses that are based on provided deliverables. This is to ensure there is ongoing dialogue with the AEHCR on the progress of CRD-funded works and that the limited resources available through the CRD are tied to specific outputs. It should also be noted that this commitment would expire at the end of this current CRD Board term, and it would be incumbent on the incoming CRD Board to determine the level of resourcing it wishes to advance in support of the AEHCR. In addition to funding the AEHCR at the current service level, this alternative would also allocate one-time funds which, in support of advancing part three of the April 2024 CRD Board motion, would enable CRD staff to undertake the engagement work as outlined under Service Delivery Implications. The overall 2025 budget impact of this alternative would be \$100,000, which would appear in the Land Assembly, Housing and Land Banking Service and would exceed the 3.0% target as set by the CRD Board. This alternative is being advanced by staff as the recommendation as the additional work undertaken will support the CRD in looking at how it could better support regional supportive housing and sheltering objectives.

Alternative Two would result in an additional CRD budget impact of \$145,000 annually from 2025 to 2030 with adjustment for inflation 2026 to 2030 to support the AEHCR, plus a one-time impact of \$100,000 in 2025 that will support CRD-led engagement work. This would result in an overall impact of \$245,000 in the CRD's 2025 Financial Plan. As noted under Alternative One, staff will work to advance annual renewal of the Service Agreement with quarterly disbursement clauses that are based on provided deliverables.

#### *Intergovernmental Implications*

When the AEHCR was first formed in 2008, there was a considerable need for community organizations, governments, businesses, and individuals to work in partnership with each other and the broader community to lead and drive the commitment to end homelessness. However, it is important to note that regional work to address homelessness predated the formation of the AEHCR and has its roots in the *Victoria Community Plan for Homelessness* (published in 2000 and updated in 2003). This municipally led effort established the basis for the CRD to begin advancing homelessness intervention activities through the RHAS (2007). The City of Victoria's *Mayor's Task Force on Breaking the Cycle of Mental Illness, Addictions, and Homelessness* (2007) then provided the context and framework for the AEHCR to begin its efforts in 2008. The AEHCR was initially established to provide tactical leadership to putting systems and processes in place that address the underlying causes of homelessness and enable a wide range of housing and support services to work together more effectively.

However, since the AEHCR was formed, the homelessness intervention landscape has shifted significantly with the Government of Canada's *National Housing Strategy* (NHS) being released in 2017 and the RHP being launched in 2018. The RHP provides direct funding through a CE model and provides the CRD, as CE, with specific resources and deliverables related to streamlining access to housing and supports for people who are experiencing homelessness or at-risk of homelessness, by coordinating local services to achieve community-wide outcomes using real-time data. This includes significant efforts in support of CA and HIFIS which, when implemented, will enable a broad range of housing and support service organizations to collaborate more effectively and report on regional data and outcomes.

Within the Province of British Columbia, the CRD delivering its obligations under the RHP is not possible without working collaboratively with the provincial government and, most critically, BC Housing. To this end, *Belonging in BC: A collaborative plan to prevent and reduce homelessness* seeks to transform housing and health systems, strengthen community partnerships, ensuring programming and service delivery includes input for those impacted, and apply better data on drivers and impacts of homelessness. This document sets out a phase one, which is to focus on those with the highest and most complex needs first. Phase two will provide for targeted interventions for priority populations. And phase three will then support system transformation efforts. There is considerable shared intent underpinning the CRD's obligations to the Government of Canada through the RHP as related to CA and HIFIS and the provincial plan, particularly in support system transformation.

Over time the role of the CRD has grown through programs such as the RHP and Regional Housing First Program and the infrastructure being built related to CA and HIFIS. The expansion of the role the CRD plays along with the advancement of federal programs in 2018, and increased efforts through the provincial government in 2023, and the ongoing work happening at the community-level, which has been underway since 2000, all contribute to a vastly different homelessness intervention landscape when compared to 2007 and 2008.

Therefore, it would be appropriate for the CRD to undertake regional engagement to determine the most effective role for it to play in supporting the delivery of senior order government programs that is built on local community need and opportunities. The landscape is now far more complex with multiple orders of government each driving efforts to better address homelessness and there is an opportunity for the CRD to engage with member municipalities, electoral areas, senior orders of government, service delivery organizations, and others, to further explore how it can better advance and/or support regional homelessness intervention and prevention activities in a way that meets local needs within the context of the federal and provincial programs and strategies.

## **CONCLUSION**

Due to the complexity in the homelessness intervention landscape, a collaborative and community-based approach, tailored to the specific needs of individuals and households is the most effective path to providing long-term solutions and ongoing housing stability. In support of addressing homelessness, the CRD has been active in advancing a range of initiatives since 2007 through the Community Health and Land Assembly, Housing and Land Banking Services. Under the authority of these services, the CRD has provided ongoing operational funding to two non-profit societies, the ACEH and AEHCR, and has administered several programs on behalf of senior orders of government.

Specific to the April 2024 motion approved by the CRD Board, parts one and two were integrated in the 2024/25 service agreement with the AEHCR and part three is currently being advanced within the scope of the RHP. Through the administration of the RHP, the CRD is playing an expanded role in working to support the deployment of HIFIS and will continue working with senior orders of government and other stakeholders to advance work related to CA. CRD staff note that there is a risk that the RHP will not extend beyond March 31, 2026, which could undermine the efforts currently being advanced by the CRD.

In terms of increase funding to the AEHCR, the provided materials suggest a going concern related to the short, medium-and long-term financial position of the society. The letter received from the AEHCR further notes that the society is expecting a deficit budget in 2025 and is also forecasting a deficit budget in subsequent years. It is not clear that the AEHCR will remain viable without additional funding from the CRD and other partners. The AEHCR does note that they are seeking to diversify revenues through grants and other fund development activities.

Due to significant changes to how all orders of government are working together to address homelessness, there is an opportunity for the CRD to undertake regional engagement to determine the potential role it can play in advancing regional supportive housing and sheltering objectives. Staff are therefore recommending that funding to the AEHCR be continued at the current level of \$225,000 per year until the end of 2026 and that a further \$100,000 be budgeted in support of CRD-initiated engagement activities. The engagement will build on the CRD's role as CE under the RHP and would seek to support enhanced efforts to advance a coordinated, regional, and collaborative response to homelessness as outlined in the CRD's *2023-2026 Corporate Plan*.

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**RECOMMENDATION**

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

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2. That the CRD includes a one-time increase of \$100,000 in the CRD’s 2025 Financial Plan for CRD staff to undertake regional engagement to determine the CRD’s potential role in advancing regional supportive housing and sheltering objectives.

Submitted by:	James Proctor, BSS, MA, Manager, Housing Planning, Policy, and Programs
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Concurrence:	Kristen Morley, Acting Chief Administrative Officer

**ATTACHMENTS:**

- Appendix A: Motion with Notice from Director Caradonna, dated April 10, 2024  
Appendix B: Alliance to End Homelessness in the Capital Region Funding Request  
Appendix C: Service Delivery Background and Highlights  
Appendix D: CRD-AEHCR: 2024-25 Service Agreement Deliverables  
Appendix E: Reaching Home Program Staff Report and Appendices, February 2024  
Appendix F: AEHCR 2023-2024 Funding Increase Staff Report, October 2023