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**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, OCTOBER 04, 2023**

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**SUBJECT Alliance to End Homelessness in the Capital Region – Funding Increase**

**ISSUE SUMMARY**

To detail implications of the Alliance to End Homelessness in the Capital Region's (the "Alliance") request for increased annual core funding from the Capital Regional District (CRD) from \$225,000 to \$345,000, with an annual inflation increase.

**BACKGROUND**

The Alliance started in 2008 as the Greater Victoria Coalition to End Homelessness with a mission to end homelessness in the capital region and consists of local housing, health and social service providers, non-profit organizations, all levels of government, businesses, post-secondary institutions, the faith community, people with lived and living experiences of homelessness, and members of the public. The Alliance is a non-profit society and registered charity. Past Alliance efforts included the publication of the Creating Homes, Enhancing Communities report, which supported the early development of the Regional Housing First Program, work related to process mapping, eviction prevention, a Speakers' Bureau, youth homelessness prevention, engagement of people with lived experience and efforts through the COVID-19 pandemic to directly support individuals experiencing homelessness.

On August 21, 2023, the Alliance sent a letter to the CRD Board requesting an increase of \$120,000 in annual core funding (Appendix A). The Alliance attached their 2022 draft audited financial statement to support the letter (see Appendix B) and presented their funding request to the Hospitals and Housing Committee on September 6, 2023 (see Appendix C). Staff were then directed to return with a report detailing the implications associated with the requested funding increase.

Since 2008, the CRD has supported the core operations of the Alliance. This contribution was increased from \$150,000 to \$225,000 in 2010 and has remained consistent through to the 2023 final CRD budget. The CRD's initial commitment to the Alliance was for 10 years, but this was revised in 2018 to be ongoing.

In September 2023, the Alliance informed the Hospitals and Housing Committee that without an increase in funding, the organization would not be viable in 2025. A review of the accompanying 2022 draft audited financial statements indicate solvency and going concern for the long-term operations and viability of the Alliance.

Each year, the CRD negotiates and monitors an annual Service Agreement with the Alliance that sets out the scope of work, deliverables, and relevant roles and responsibilities expected of the Alliance. The Alliance submits an annual report to the CRD on their specific deliverables (see Appendix D).

## **ALTERNATIVES**

### *Alternative 1*

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

1. That staff be directed to negotiate a one-time increase of \$120,000 from \$225,000 to \$345,000 in 2024;
2. That staff be directed to amend the 2024 Financial Plan to reflect the increase in funding; and
3. That staff work through the 2025 service planning cycle to revisit the allocation of resources between the Alliance and those dedicated directly to advancing the CRD Board and Corporate priorities.

### *Alternative 2*

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

1. That staff be directed to maintain the core service level of \$225,000 in the 2024 Financial Plan; and
2. That staff work through the 2025 service planning cycle to revisit the allocation of resources between the Alliance and those dedicated directly to advancing the CRD Board and Corporate priorities.

### *Alternative 3*

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

1. That staff be directed to negotiate an ongoing increase of \$120,000 from \$225,000 to \$345,000 starting in 2024;
2. That staff be directed to amend the 2024 Financial Plan to reflect the increase in funding; and
3. That staff index funding to the Alliance to CRD guidelines and include this adjusted amount as a core service level going forward.

### *Alternative 4*

That the Alliance to End Homelessness in the Capital Region – Funding Increase report be referred to staff for additional information based on the Hospitals and Housing Committee direction.

## **IMPLICATIONS**

### *Alignment with CRD Plans and Strategies*

The Alliance activities support several objectives in the 2023 – 2026 Corporate Plan and the Regional Housing Affordability Strategy, 2018. The alignment with various CRD plans and strategies is provided in Appendix E. Much of the focus in Alliance work is related to engagement and facilitation in support of CRD Corporate Plan activities related to a regional approach or data collection and guidance/recommendations on the use of Reaching Home Program (RHP) funds through the development of a Community Plan and the Alliance's participation on the RHP Community Advisory Board (CAB). The Alliance is also active in prevention through facilitation of a youth homelessness task force.

### *Service Delivery Implications*

Currently, funding for the Alliance is requisitioned through Community Health with the day-to-day aspects of managing the Service Agreement supported through Regional Housing. This is in alignment with the authority as established under Land Banking and Housing and, more specifically, the Terms and Conditions of the RHP.

In March 2019, the CRD entered into a Contribution Agreement with the Government of Canada

to fill the role of Community Entity (CE) under the RHP. Though there are numerous aspects of the RHP implementation that include community engagement and plan development, grant administration, contract monitoring, etc., there are two key components that the CRD is obligated to advance under the terms of the Contribution Agreement, including a Coordinated Assessment and Access (CAA) process and a Homelessness Management Information System (HMIS). An overview of both initiatives is provided in greater detail in Appendix F, Part 1.

The current RHP Contribution Agreement runs until March 31, 2024, though staff are expecting to receive a Service Agreement amendment or a new Service Agreement that extends the RHP for up to five years. As related to the CRD's role in implementing the RHP, the Alliance is tasked with a range of activities that are outlined in Appendix F, Part 2.

Within the context of the 2023-2026 CRD Board and Corporate priorities, the obligations under the 2019-2024 RHP and the role of the Alliance, there is an increasing degree of overlap between the strategic and policy direction as provided by the CRD Board and the historic role of the Alliance in supporting a range of homelessness engagement, research, data collection and planning work.

#### Alternative 1

Proposes a one-year increase in funding and will support the considerable community engagement and planning work required as the CRD prepares to transition into a renewed RHP. Staff will then revisit the funding level starting in 2025.

#### Alternative 2

Retains the existing level of funding to the Alliance, which will result in the CRD taking on an increased role in advancing the work required to support engagement efforts related to CAA and HMIS and the transition toward a renewed RHP and will further direct the work through a 2024 Service Agreement with the Alliance. Staff will then revisit the funding level starting in 2025.

#### Alternative 3

Proposes that the CRD provide the Alliance with an ongoing increase in core operational funding. This alternative would provide the organization with the highest level of operational support and an ongoing commitment from the CRD. In terms of alignment between the Alliance activities and the obligations of the CRD under the RHP, staff increasingly direct the content of the Alliance Service Agreement as the CRD would continue to rely on a third-party to play a vital role in ensuring the CRD's RHP obligations are met.

#### *Financial Implications*

The CRD has provided the Alliance with a total of \$3,535,000 in funding through its Community Health service from 2008 to 2023. In addition, the CRD has administered a total of \$700,000 on behalf of the City of Victoria bringing the total funds provided through Alliance Service Agreements to \$4,235,000 over 15 years. In addition, the Alliance is eligible to receive funds through the RHP and has received a total of \$466,627 in support of Sector Capacity Building through Creation of Free Micro Credentials (\$186,067) and Construction and Furnishing of Seven Tiny Home Village Units (\$280,560). An overview of the three Alternatives is attached as Appendix G.

#### Alternative 1

Proposes a one-year increase in funding to the Alliance from \$225,000 to \$345,000. This alternative also directs staff to review the balance of requisition resources between the activities of a third party operating under agreement and those the CRD uses to directly fund its operational activities in 2025. Potentially reducing funding to the Alliance will be increasingly important as staff begin to scope out and seek the resources required to advance a coordinated, regional, and collaborative response to homelessness and data collection and research analysis capacity

dedicated to housing data while working to mitigate potential requisition increases.

Alternative 2

Proposes that the CRD maintains the existing level of funding to the Alliance of \$225,000 per year. It is important to note, however, that this alternative also directs staff to review the funding level in 2025 in conjunction with the CRD’s service planning process to ensure resources continue to be utilized in direct support of advancing CRD Board and Corporate priorities. The Alliance informed the Hospitals and Housing Committee in September 2023 that without an increase in funding, the organization would not be viable in 2025. This alternative would likely result in the Alliance either significantly scaling back activities and/or winding down operations.

Alternative 3

Proposes the Alliance be provided with an ongoing increase in core operational funding to \$345,000 per year and that this increase be ongoing and indexed to the CRD guidelines related to inflation. This inflationary increase would see the core funding go from \$345,000 in 2024 to \$358,938 in 2026 and would continue increasing at 2% annually in-line with CRD guidelines.

Both Alternative 1 and Alternative 2 provide the direction to staff to review CRD activities identified through the CRD service planning process and to consider those activities through assessing the value of either direct delivery through the CRD or through a third-party starting in 2025. To constrain potential requisition impact as the CRD may look to increase service levels in support of CRD Board and Corporate priorities starting in 2025, staff have recommended this step to provide greater flexibility to the CRD Board in considering how it can both deliver an enhanced level of service while also mitigating the risk of significant requisition increases. Alternative 3, however, is intended to provide the CRD Board with a clear option that includes a lift to the core funding level to the Alliance that is intended to be ongoing.

**CONCLUSION**

Over the last 15 years, the CRD has supported the operations of the Alliance through Service Agreements that total \$4,235,000. In addition, the Alliance has received \$466,627 through the RHP, administered by the CRD. However, as the role of the CRD has shifted over time, due in part to the obligations under the RHP as well as the strategic and policy direction provided by the CRD Board in 2023, it is increasingly important to revisit how the CRD continues to drive action on achieving outcomes through either engaging third parties or an increase in service levels.

**RECOMMENDATION**

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

1. That staff be directed to negotiate a one-time increase of \$120,000 from \$225,000 to \$345,000 in 2024;
2. That staff be directed to amend the 2024 Financial Plan to reflect the increase in funding; and
3. That staff work through the 2025 service planning cycle to revisit the allocation of resources between the Alliance and those dedicated directly to advancing the CRD Board and Corporate priorities.

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**ATTACHMENTS**

- Appendix A: Alliance Funding Request Letter, Submitted August 21, 2023
- Appendix B: Alliance Draft Financial Statement
- Appendix C: Alliance Funding Request Presentation – September 6, 2023
- Appendix D: Alliance 2022-23 Service Agreement – Annual Report
- Appendix E: Alignment with CRD Plans & Strategies
- Appendix F: Reaching Home Projects & Alliance Activities
- Appendix G: Funding Alternatives