

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: Councillor Bill Karsten, Chair, Audit & Finance Standing Committee

DATE: July 15, 2015

SUBJECT: United Way Housing First Funding Request

ORIGIN

July 15, 2015 meeting of the Audit & Finance Standing Committee, Item No. 9.1.2

LEGISLATIVE AUTHORITY

Audit & Finance Standing Committee Terms of Reference section 3.8, which states "to review and make recommendations on proposals coming to Halifax Regional Council outside of the annual budget or tender process including but not limited to:

- New Programs or services not yet approved
- Programs or services that are being substantially altered
- Proposed changes in operating or budget items
- Committing of funds where there is insufficient approved budget, or,
- New or increased capital projects not included in the approved budget
- Increases in project budget due to cost sharing
- Creation or modification of reserves and withdrawals not approved in the approved budget

RECOMMENDATION

It is recommended by the Audit & Finance Standing Committee that Halifax Regional Council:

1. Direct staff to negotiate a Contribution Agreement with the United Way of Halifax Region to support Housing First Program — Phase One and that the resulting Agreement include the following key conditions:
 - (i) that the term of the Agreement shall be one fiscal (1) year, starting in 2015/16 fiscal and that the amount of the grant or contribution shall not exceed \$25,000;
 - (ii) the Agreement shall provide, at the Municipality's option, the ability to annually renew the Agreement up to a total of three (3) additional fiscal years beginning in 2016/2017 fiscal year and ending in 2018/2019 fiscal year, providing the annual grant or contribution for

- any renewable term shall not exceed \$25,000 per fiscal year and the combined sum of the grants or contributions for the four (4) fiscal years starting in 2015/2016 shall not exceed \$100,000;
- (iii) the Agreement shall not be renewed beyond the 2018/2019 fiscal year without Council approval;
 - (iv) that any annual grant or contribution be subject to Council approving, in the budget, the funds for the grant or contribution for the applicable fiscal year; and
 - (v) that the Contribution Agreement shall require annual reporting which accounts for the expenditures of any grant or contribution received by the Municipality since the last reporting period; and
 - (vi) To fund the request from Operating Account # C320-6399; and
 - (vii) Authorize the Chief Administrator Officer to:

enter into and execute the resulting Contribution Agreement and any amendments thereto on behalf of the Municipality; and negotiate, enter into and execute any renewals of the Contribution Agreement on behalf of the Municipality.
2. Direct staff to develop an approach to considering any future housing related funding requests outside the Community Grants Program, including evaluation and potential funding, and return with a recommendation to Community Planning & Economic Development Committee and the Audit & Finance Committee for consideration by Regional Council.

BACKGROUND

A staff report pertaining to the United Way Housing First Funding Request was before the Audit & Finance Standing Committee at its meeting held on July 15, 2015.

For further information please refer to the staff report dated May 8, 2015

DISCUSSION

The Audit & Finance Standing Committee reviewed this matter at its meeting held on July 15, 2015 and forwarded the recommendation to Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

As outlined in the attached staff report dated May 8, 2015

COMMUNITY ENGAGEMENT

All meetings of the Audit & Finance Standing Committee are open to the public. The agenda and reports are provided online in advance of the meeting.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

ALTERNATIVES

The Audit & Finance Standing Committee did not discuss alternatives.

ATTACHMENTS

1. Staff report dated May 8, 2015

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 9.1.2
Audit & Finance Committee
July 15, 2015

TO: Chair and Members of the Audit & Finance Standing Committee
Original Signed

SUBMITTED BY: _____
Richard Butts, Chief Administrative Officer
Original Signed

Bob Bjerke, Director & Chief Planner, Planning & Development

DATE: May 8, 2015

SUBJECT: United Way Housing First Funding Request

ORIGIN

Oct. 29, 2013. Regional Council passed the following motion:

MOVED by Mayor Savage, seconded by Councillor Watts, that Halifax Regional Council formally endorse HRM's participation in the United Way's partnership on housing affordability so as to explore ways in which HRM can, within the municipal mandate, promote initiatives that could support affordable housing.

Jan. 8, 2015 CPED passed the following motion:

MOVED by Councillor Watts, seconded Councillor Mason that the Community Planning and Economic Development Standing Committee recommend that Regional Council direct staff to provide regular updates on the work of the Housing and Homelessness Partnership through CPED, including recommendations for strategic actions and initiatives.

March 26, 2015 CPED passed the following motion in relation to correspondence dated March 11, 2015 to Mayor Savage from Catherine Woodman, President & CEO of the Halifax United Way:

MOVED by Deputy Mayor Nicoll, seconded by Councillor Fisher that the Community Planning and Economic Development Standing Committee request a staff report to:

- 1. Evaluate the request from the Housing and Homelessness Partnership to make a financial contribution to the Housing First Program for Halifax; and*
- 2. Report to the Audit and Finance Standing Committee with recommendations during its May 2015 meeting.*

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, subclauses 79(1) (av) (v)(vii): "The Council may expend money required by the Municipality for... (av) a grant or contribution to... (v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province...(vii) a registered Canadian charitable organization".

Regional Municipal Strategy, Policy S-31: "Where Provincial strategies or programs are made in support of affordable housing, HRM may consider means to further or complement such strategies or programs through its programs, policies or regulations".

Regional Municipal Planning Strategy, Policy S-32: "HRM may consider partnerships or financial support for housing organizations".

RECOMMENDATIONS

Housing matters are of interest to the Halifax Regional Municipality and it wishes to meaningfully participate in strategic actions and initiatives of Housing and Homelessness Partnership; and

The Community Grants Program is not designed to fund partnership initiatives such as the *Housing First Program – Phase One*, the Community Grants Program does not consider multi-year funding requests and the maximum amount of an operating grant under the Community Grants Program is limited to \$5,000 and the United Way has requested an operating grant of \$25,000; and

Regional Council can consider requests for grants or contributions to a variety of non-profit and charitable organizations and the current request can be accommodated within the 2015/16 budget;

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council

1. Direct staff to negotiate a Contribution Agreement with the United Way of Halifax Region to support *Housing First Program – Phase One* and that the resulting Agreement include the following key conditions:
 - (i) that the term of the Agreement shall be one fiscal (1) year, starting in 2015/16 fiscal and that the amount of the grant or contribution shall not exceed \$25,000;
 - (ii) the Agreement shall provide, at the Municipality's option, the ability to annually renew the Agreement up to a total of three (3) additional fiscal years beginning in 2016/2017 fiscal year and ending in 2018/2019 fiscal year, providing the annual grant or contribution for any renewable term shall not exceed \$25,000 per fiscal year and the combined sum of the grants or contributions for the four (4) fiscal years starting in 2015/2016 shall not exceed \$100,000;
 - (iii) the Agreement shall not be renewed beyond the 2018/2019 fiscal year without Council approval;
 - (iv) that any annual grant or contribution be subject to Council approving, in the budget, the funds for the grant or contribution for the applicable fiscal year; and

- (v) that the Contribution Agreement shall require annual reporting which accounts for the expenditures of any grant or contribution received by the Municipality since the last reporting period; and
 - (vi) To fund the request from Operating Account # C320-6399; and
 - (vii) Authorize the Chief Administrator Officer to:
 - enter into and execute the resulting Contribution Agreement and any amendments thereto on behalf of the Municipality; and negotiate, enter into and execute any renewals of the Contribution Agreement on behalf of the Municipality.
2. Direct staff to develop an approach to considering any future housing related funding requests outside the Community Grants Program, including evaluation and potential funding, and return with a recommendation to Community Planning & Economic Development Committee and the Audit & Finance Committee for consideration by Regional Council.

BACKGROUND

On October 29, 2013 Regional Council endorsed HRM's participation in the Housing and Homelessness Partnership¹ ("Partnership"). Members of the Partnership recently endorsed Phase One of a Housing First Program for Halifax. The objective of the Halifax Housing First Program - Phase One is to house and support 50 – 60 of the most chronically and repeatedly homeless individuals. Based on evidence from similar programs across North America, a Housing First Program is the most effective intervention to offer people who have long struggled with homelessness. According to shelter data in 2014, there were 66 chronic shelter users in Halifax and 67 episodic shelter users.

The Housing First Program is a program and a philosophy that accommodates people regardless of their challenges. It supports them to remain housed without a requirement that they first become "housing ready". The approach is embedded in the Partnership Charter and in the Employment and Social Development Canada's ("ESDC") Homelessness Partnering Strategy ("HPS").

This is the first major initiative of the Partnership with each member being requested to make a contribution. So far six partners (including the United Way) have formally agreed to support the estimated \$968,000 annual budget. The funding request (Attachment A) is for an evaluation component (2.6% of the overall budget) that would inform necessary adaptations to the program, and assess local cost savings across various systems such as policing, shelter use, health care, etc.

DISCUSSION

Housing First Program Design

The Housing First Program is designed to help house and support chronic and repeatedly homeless individuals. It will provide direct multidisciplinary support (eg, case managers, housing specialists, peer support, clinical staff) to those being housed through the Program. Individuals would be housed in appropriate non-profit and private market- housing units. The Program would operate as a hub model with support staff from various social service and health organizations working as a cohesive team.

¹ <http://www.halifax.ca/council/agendasc/documents/150324ca1142.pdf>

A pilot At Home/Chez Soi project implemented in five Canadian cities (Vancouver, Winnipeg, Toronto, Montreal, and Moncton) between 2009 and 2013 showed that for the 10% participants with highest service use costs, every \$10 invested in Housing First services resulted in an average savings of \$21.72. Cost savings were realized from general and psychiatric hospital stays, jail/prison incarcerations, police contacts, emergency room visits, stays in crisis housing settings and in single room accommodations with support services².

The Partnership is currently seeking a housing service provider partner to implement a Housing First Program for Halifax 2015 - 2019. The majority of the Program funding will come from the federal HPS designed to address homelessness across Canada. The Program relies on leveraging funding from local partners, ensuring coordination of vital services. The ESDC's HPS program runs in funding cycles, and the current Program cycle ends on March 31st, 2019. The Partnership is committed to working with the community, and the service provider partner to building a strategy or sustainability plan that would lessen the Housing First Program's reliance on time-limited government funding. Alternatively, an exit strategy will see the project wind down in a way which minimizes any adverse effects for the clients of the day.

There will be a Memorandum of Understanding among the Service Provider and supporting Housing and Homelessness Partners which outlines the terms and conditions of the contributed resources. Confirmed partner commitments are listed in Table 1 below. The United Way will provide an overall project coordination and contribute to un-funded components of the program.

The Municipality is asked to contribute or grant \$25,000 per fiscal year for a maximum of 4 fiscal years (2.6% of the estimated \$968,544 annual budget) to fund the evaluation component of the Program. The evaluation component is the piece of the Program which aligns most closely with the Municipality's role in the Partnership. It will look at various success measures for individuals in the Program, which address social inclusion and community development. As a partner, the Municipality may request that additional indicators be added such as the number of police calls and police hours at homeless shelters. Should Council approve the request, it is proposed that evaluation will be contracted independently through the United Way, and that a separate Contribution Agreement be entered into and signed between the Municipality and the United Way to ensure that Municipal financial contribution is allocated to the evaluation component.

Staff evaluated the proposal based on the strength of the overall proposal, contributions of other partners, municipal funding capacity and any potential risk. Although the Partnership Charter does not specifically mention new municipal financial contributions or grants, the request can be accommodated within the current budget and staff is recommending a grant or contribution in an amount not exceeding \$25,000 per fiscal year as the Municipality wishes to meaningfully participate as a member of the Partnership and has an interest in housing matters.

As the Partnership matures, other initiatives may be presented for Council's support, staff recommend that an approach be developed to evaluate and potentially fund future housing related requests. It should be noted that detailed work plans are currently being developed for the homelessness and the housing working groups.

² Canadian Mental Health Commission. 2014. [National Final Report Cross-Site At Home/Chez Soi Project](#)

Table 1 – Estimated Annual Project Budget (Source: United Way)

Contributor	Amount	Details
Affordable Housing Association of Nova Scotia (Homelessness Partnering Strategy)	\$ 537,544	Intensive Case Management (ICM) Team Administration Move-In Costs Client Programming
Nova Scotia Health Authority (Capital Health)	\$ 172,000	2 Clinical Staff
CMHC Housing Nova Scotia Investment Property Owners of Nova Scotia (IPOANS)	\$ 129,000	Rental Assistance
Other - Unfunded	\$ 90,000 \$ 15,000 \$ 25,000	Primary Care Nurse Vehicles / Travel Evaluation
TOTAL		\$ 968,544

Community Grants Program

Currently, the Halifax Regional Municipality does not have a grant or contribution funding program that could accommodate this multi-year funding request. The Community Grants Program provides for grants in the amount of \$5,000 and capital grants in the amount of \$25,000. The United Way's request could be considered under the current guideline, however, the Community Grants Program is currently closed and this Program does not consider multi-year funding requests. The Community Grants Program is also not designed to fund partnership initiatives such as the Housing First Program – Phase One and, as stated above, the amount of the grant under the Community Grants Program for operating is limited to \$5,000 and the United Way has requested an operating grant of \$25,000.

Regional Council has received requests for funding support in amounts that either exceed or fall outside the current Community Grants and other program guidelines. As part of the work on the Auditor General's report on Grants and Donations, staff is reviewing the overall granting policy. In the interim, Regional Council is still able to consider requests on a case by case basis as the *HRM Charter* permits Regional Council to provide a grant or contribution to a variety of non-profit and charitable organizations.

Funding Recommendation

The Housing First Program - Phase One represents an innovative yet proven approach to ending homelessness for the most chronically and repeatedly homeless in Halifax. It represents an unprecedented backing from key funding partners (HPS, CMHC, Housing Nova Scotia, IPOANS, Nova Scotia Health Authority and the United Way). The Program includes clear Housing First principles, evaluation guidelines, and a focus on sustainability of the program as the first major initiative of the Partnership. Further,

- The Regional Plan's policy contemplates municipal support of provincial and non-profit housing initiatives within municipal mandate.
- The Planning & Development 2015/16 Business Plan includes supporting the work of the Partnership.

- Municipal contribution to the evaluation component can significantly support the program without directly funding social services.
- As a time-limited program there is no risk of the Municipality facing a long-term funding commitment beyond 2018/19.
- Program outcomes align with Council Priorities in the areas of Healthy Community and Economic Development:
 - % reduction in the number of chronically and episodically homeless;
 - # of Housing First clients who remained housed at 6, 12 and 24 months;
 - # of clients who had changes in income by income source;
 - # of clients who started employment;
 - # of clients who started an education program;
 - # of clients who began volunteer work;
 - # of clients who engaged in social participation;
 - # of clients who engaged in cultural or recreational activities
- By contributing to the program the Municipality will demonstrate a commitment to the work of the Partnership, and will be able to influence project outcomes and contribute to the overall success of the program.
- Accountability can be assured through a contribution agreement with the United Way.
- The Municipality will benefit by significantly reducing chronic and episodic homelessness.
- Potential benefits may also result in reduced police calls from homeless shelters.

Staff recommends that the Audit and Finance Standing Committee recommend that Halifax Regional Council:

- direct staff to negotiate a Contribution Agreement with the United Way of Halifax Region to support *Housing First Program – Phase One* and that the resulting Agreement include the following key conditions:
 - that the term of the Agreement shall be one fiscal (1) year, starting in 2015/16 fiscal and that the amount of the grant or contribution shall not exceed \$25,000;
 - the Agreement shall provide, at the Municipality's option, the ability to annually renew the Agreement up to a total of three (3) additional fiscal years beginning in 2016/2017 fiscal year and ending in 2018/2019 fiscal year, providing the annual grant or contribution for any renewable term shall not exceed \$25,000 per fiscal year and the combined sum of the grants or contributions for the four (4) fiscal years starting in 2015/2016 shall not exceed \$100,000;
 - the Agreement shall not be renewed beyond the 2018/2019 fiscal year without Council approval;
 - that any annual grant or contribution be subject to Council approving, in the budget, the funds for the grant or contribution for the applicable fiscal year; and
 - that the Contribution Agreement shall require annual reporting which accounts for the expenditures of any grant or contribution received by the Municipality since the last reporting period; and
- to fund the request from Operating Account # C320-6399; and
- authorize the Chief Administrator Officer to:
 - enter into and execute the resulting Contribution Agreement and any amendments thereto on behalf of the Municipality;

- negotiate, enter into and execute any renewals of the Contribution Agreement on behalf of the Municipality; and
- Direct staff to develop an approach to consider any future housing related funding requests outside the Community Grants Program, including evaluation and potential funding, and return with a recommendation to Community Planning & Economic Development Committee and the Audit & Finance Committee for consideration by Regional Council.

FINANCIAL IMPLICATIONS

The Housing First Program – Phase One will be funded by Planning & Development (cost centre C320). If approved by Regional Council, and upon signing of the Contribution Agreement with the United Way, the municipality's \$25,000 annual contribution will be paid and renewed annually, provided that the terms and conditions of the Contribution Agreement are fulfilled. The total cost of the municipality's involvement in the Housing First – Phase One project shall not exceed \$100,000 over the four-year term of the agreement, from 2015-16 through 2018-19.

COMMUNITY ENGAGEMENT

The Partnership Homelessness Working Group has conducted a number of community engagement sessions with service providers and other key stakeholders. A well-attended information session for potential service providers was held on April 30, 2015.

ENVIRONMENTAL IMPLICATIONS

Housing First Program – Phase One will utilize existing non-profit and private housing stock thanks to rent supplements provide by CMHC, Housing NS and members of IPOANS. Environmental benefits will result from utilizing under-utilized housing stock and providing savings in other service areas.

ALTERNATIVES

1. Audit and Finance Standing Committee could choose to recommend that Regional Council not provide financial support to United Way for the Partnership Housing First Phase I program.
2. Audit and Finance Standing Committee could choose to recommend that Regional Council provide one-year contribution to the program and direct staff to include funding for subsequent years in future Operating Budget for the provision of a contribution to the United Way.
3. Audit & Finance Standing Committee could choose to recommend that Regional Council defer a decision on the United Way request until completion of the overall Grant Policy.

ATTACHMENTS

Attachment A – Funding Request from Catherine Woodman, President & CEO of the United Way dated March 11, 2014

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Kasia Tota, Community Developer, 902.490.5190
Original Signed

Report Approved by: _____
Bob Bjerke, Chief Planner, 902.490.1627
Original Signed

Financial Approval by: _____
Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308

Attachment A



United Way

Halifax

Change starts here.

March 11, 2015

Mayor Mike Savage
PO Box 1749
Halifax, NS
B3J 3A5

Dear Mayor *Mike* Savage,

I would like to acknowledge the participation of Halifax Regional Municipality in the Housing and Homelessness Partnership, with; Housing Nova Scotia, Canada Mortgage and Housing, the Affordable Housing Association of Nova Scotia, the Investment Property Owners Association of Nova Scotia, Capital Health, IWK and United Way Halifax. The contributions made by municipal staff, including from the Mayor's Office, have made a significant difference in our understanding of the issues impacting our community, and has enabled us to reach for solutions to end homelessness and housing poverty in Halifax.

The members of the Housing and Homelessness Partnership have recently endorsed phase one of a Housing First Program for Halifax. Housing First is a program and philosophy that accommodates people regardless of their challenges. It supports them to remain housed without a requirement that they first become "housing ready". This program will begin by housing and supporting 50 of the city's most chronically and repeatedly homeless individuals. We know from similar programs across North America that a Housing First Program is the most effective intervention to offer people who have long struggled with homelessness. Part of phase one includes a thorough evaluation element to make necessary adaptations to the program; best serve our citizens and assess the program at a local level by measuring cost savings across our systems.

Each member of the Partnership has been requested to make a contribution to the Housing First Program. I write this letter to request that the Municipality consider making a financial contribution to this important initiative of the Housing and Homelessness Partnership. Your consideration is greatly appreciated, please feel free to reach out to me if I can answer any questions or be of any assistance.

Sincerely, *[Signature]*

Original Signed

Catherine Woodman
President & CEO
United Way Halifax

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Halifax Regional Municipality
MAR 16 2015
Office of the Mayor

