



Hamilton

INFORMATION REPORT

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| TO: | Chair and Members Emergency and Community Services Committee |
| COMMITTEE DATE: | August 17, 2023 |
| SUBJECT/REPORT NO: | Update on City's Advocacy Regarding Housing with Supports (HSC23054) (City Wide) |
| WARD(S) AFFECTED: | City Wide |
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| SIGNATURE: | |

COUNCIL DIRECTION

Not Applicable

INFORMATION

Executive Summary:

In late 2021, the City of Hamilton, in partnership with Hamilton anchor institutions, met together to begin development of a request to the Province for \$5 million annually to provide intensive social and health supports to a group of 100 high acuity individuals experiencing homelessness. These individuals were identified to have needs that surpassed current service offerings in Hamilton. After emerging from the COVID19 pandemic, Hamilton's leaders reached a consensus that an investment of this type was required to address growing homelessness in Hamilton and resultant pressures on health and social service systems. There was also recognition that the proposal did not reflect the extent of need in Hamilton for supportive housing; instead, it was focused on providing intensive supports for the highest acuity individuals, thus "freeing up" existing services that were more appropriately focused on people with low-mid acuity needs.

The Mayor hosted a roundtable discussion in January 2022 with senior leaders of Hamilton's anchor institutions as well as the Honourable Michael Tibollo, Associate

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Minister of Mental Health and Addictions, Ontario and MPP Donna Skelly. The City has engaged with ministers, associate ministers, and held engagement sessions with staff from various minister's offices, and also presented at the Association of Municipalities of Ontario in 2022. However, no formal response to Hamilton's proposal has been forthcoming. With conditions of homelessness worsening, this report describes an evolved priority brought forward through the Housing Sustainability and Investment Roadmap (the Roadmap) to senior levels of government focused on sharing costs to create at least 200 new units of permanent supportive housing within the next three years. Hamilton is Home has identified 418 supportive housing units that are in various phases of development that, should funding be obtained, could be built in the next 36 months.

Supportive housing was described in the Housing Sustainability and Investment Roadmap as the singular investment that will have the most impact on improving the lives of individuals living unsheltered in Hamilton. It provides a path to permanent housing for individuals, who without appropriate services and supports, will otherwise struggle to maintain successful tenancies. Extensive engagement was conducted with the community and individuals with lived experience through a variety of consultation processes, (e.g., Hamilton Alliance for Tiny Shelters, Housing and Homelessness Action Plan, and the recent public input for the encampment protocol and sanctioned sites), as well as research and best practice in other jurisdictions point to additional supportive housing as the most critical and urgent investment in Hamilton's homeless serving sector.

Through the Roadmap and the Housing Secretariat Division, Government Relations and Financing strategies are in development to engage, secure, and support this initiative however, upper levels of government must partner with the City to realize at least 200 supportive housing units. The City's Housing Secretariat Division is working closely with community partners to approach this need collectively with predictable sequencing rather than the more traditional individual project approach that requires a reactive "one-off" investment from Council. As described in Report HSC23041, an advance, multi-year municipal capital commitment is requested in order to strengthen our provincial and federal conversations to leverage funding from upper levels of government. It will also allow our community partners to make stronger applications for federal and provincial funds. This request for an advance multi-year municipal commitment has been made through Report HSC23021 in response to growing homelessness and the crisis of encampments.

Background:

It has been well established that homelessness, and especially chronic homelessness, has a profound impact on our communities. For the individuals or families who experience homelessness, these impacts include an increased likelihood of

experiencing violence, social isolation and stigma, poor health (physical and mental), vastly decreased life expectancy; along with a decreased ability to meet one's basic needs, let alone plan for longer term goals like employment or income support. For the broader community, chronic homelessness requires disproportionate amounts of resources and services, including paramedics, police, emergency room and hospital usage, emergency shelters, outreach services, and a vast array of community organizations and supportive housing operators, often without successful long term outcomes for the people who are chronically homeless.

This issue was poignantly articulated in "Million Dollar Murray" – an article in the New Yorker in 2006 about Murray Bane, a chronically homeless man who lived in Reno, Nevada. His service usage was tracked for one year across police and emergency response, hospital visits, and social service usage, and added up to over \$1 million. The analysis of the article demonstrated would be much cheaper to find Murray a place to live with support than to spend \$1 million annually on one person and have such poor outcomes. The story of Million Dollar Murray is instructive about how chronic homelessness is not only expensive to institutions and communities, but also an incredibly inefficient use of resources.

Developing a Proposal to the Province to Address High Acuity Homelessness

In Hamilton, in 2020, a network of anchor institutions (Hamilton Health Sciences, St. Joseph's Health Care, Hamilton Police Services, the Chamber of Commerce, the City of Hamilton, Public Health Services, the Hamilton Community Foundation, Mohawk College and McMaster University) came together with the leadership of the Greater Hamilton Health Team to develop a collective response to growing chronic homelessness and encampments that were affecting their organizations. In particular, there was a recognition that there was a population of 100 – 140 people who had needs that were very complex and beyond any supportive housing or emergency shelters' ability to support. Many individuals had a combination of severe mental illness, addictions, experiences of trauma, and extreme poverty, and as a result were regular users of the hospital emergency rooms, police and emergency shelter responses. Based on the best practice evidence, the solution was determined to be a housing first approach with permanent supportive housing with intense and specialized support teams. The central tenet was that by housing the highest acuity individuals in the community, the existing social service system could focus on the individuals with lower to mid acuity needs. The initial proposal that began in 2020 was revisited in late 2021 as a result of growing needs that emerged during the pandemic.

After consulting with the City's Housing Services Division and confirming the ability to identify these individuals as part of the By-Name Priority List system for addressing homelessness, the anchor institutions worked with the senior leadership of the City and the Mayor's Office in late 2021/early 2022 to refine the original proposal to create a

model of housing that could support these very high acuity individuals. This refined proposal centred on creating a set of specialized staff supports along with an Assertive Community Treatment team from St. Joseph's Health Care that could provide emergency and daily psychiatric support when needed. The proposal also specified that the Housing Services Division would contribute deeply affordable housing units where people could live and receive services. The proposal to the Province requested funding only for the supports component: \$50,000 per person per year; or for 100 people, \$5 million annually, which is consistent with supportive housing costs for similar projects in other jurisdictions and reflects comprehensive care for individuals with some of the highest needs. The funding request was for permanent operating funding, as it was anticipated that these individuals would need support over the long term. Capital costs to build the units were not included, nor were monthly rent subsidies, as the Housing Services Division agreed to identify vacant units in suitable locations throughout the City to provide this supportive housing.

Mayor's Office Hosts Roundtable Discussion

In January 2022, the Mayor's Office coordinated a roundtable discussion with MPP Michael Tibollo, Associate Minister of Mental Health and Addictions, Ontario. The Roundtable was attended by Mayor Fred Eisenberger, Chief of Police Frank Bergen, St. Joseph's Health Care CEO Melissa Farrell, Chamber of Commerce CEO Keanin Loomis, McMaster University Professor Jim Dunn, Hamilton Community Foundation CEO Terry Cooke, Greater Hamilton Health Network Director Jeff Wingard and senior City Leadership—Janette Smith, Angie Burden, Edward John, and Morgan Stahl. In addition to Minister Tibollo, MPP Donna Skelly was in attendance. The proposal was reviewed, with each community leader describing the benefits of addressing chronic homelessness to their respective institution. There was a general discussion of the proposal, recognition of the need for supportive housing and agreement to continue dialogue.

Following this Roundtable discussion, the City of Hamilton's Government Relations team have been involved in numerous discussions and presentations regarding the proposal. To date, the proposal has received no formal response from the Province.

The anchor institutions have continued to monitor the proposal to the Province, and with no formal response, have agreed that a revised approach is necessary.

The Housing Sustainability and Investment Roadmap and an Evolving Request to Senior Levels of Government for Supportive Housing

In the short time since the Roundtable with Minister Tibollo, conditions of chronic homelessness and encampments have worsened, as explained in Report HSC3021 and needs have grown. In April 2023, the City declared a state of emergency regarding

homelessness, mental health and opioid addictions. Post-pandemic pressures have continued to mount for anchor institutions – especially hospitals. In response to the rising conditions of homelessness, quickly rising rents and challenges along the entire housing continuum, the City developed the Housing Sustainability and Investment Roadmap (Report HSC23028/FCS23055/PED23099) – a whole of community set of tactics and actions available to the municipality focusing on the four pillars of new construction, acquisition, maintain/preserve, and housing with supports. The Roadmap complemented the City's March 2023 report on Ending Chronic Homelessness by describing a range of solutions, one of which was creating 200 additional units of permanent supportive housing. Both the Roadmap and the Ending Chronic Homelessness report recognize that 200 units is a significant start, and the longer-term need may be substantially higher.

There are recent local examples of this kind of permanent supportive housing being developed through cooperation between municipal, provincial and federal levels of government. Dorothy Day Place and Wesley Community Homes have both opened supportive housing units within the last year. Absent an operating funding commitment from upper levels of government and given the pressing need for permanent supportive housing, along with having committed capital funding to the Dorothy Day Place through the Rapid Housing Initiative, the City agreed to cover the first year of operating funding for Dorothy Day Place (\$3.6 million annually) in order to ensure occupancy in spring 2023. As operating costs for supportive housing have generally been funded through the provincial government, City staff continue to work with Good Shepherd Centre's leadership to request ongoing funding for operating costs from upper levels of government. To date, no commitment has been received. In addition to these recently opened 72 units, and in consultation with the City's Housing Services Division, the Housing Sustainability and Investment Roadmap identified the immediate need for at least 200 additional supportive housing units which will decrease encampments in Hamilton. Leadership to develop and implement a plan to build and secure funding for these units rests with the Housing Secretariat Division.

During the development of the Roadmap and since its approval in April 2023, city staff have been working with Hamilton is Home – a network of non-profit and supportive housing providers who are interested in providing additional units of housing in Hamilton. In response to the Roadmap's commitment to add 200 permanent supportive housing units and the mounting attention on encampments and overwhelmed emergency shelters, Hamilton is Home circulated a "postcard" detailing 12 projects with a total of 418 supportive housing units that could be built and in operation within 36 months if funding could be found (approximately \$193 million capital, \$24 million operating, to be cost shared between all levels of government). Their proposals focused on sites where land is already owned by the organization or by the City. Several of the projects have potential to start construction within one to two months

City staff have begun an in-depth assessment of these potential supportive housing projects, and have made an initial judgment that there is a high degree of overlap between the type of permanent supportive housing the community needs and the type of supportive housing being proposed by the Hamilton is Home group.

The Housing Secretariat Division has been given the mandate of providing coordinated leadership across City divisions to develop a plan to realize the 200 initial units identified in the Roadmap as one of the eleven priorities in the first year, as well as a financing and government relations strategy, which will have a primary focus on supportive housing. As an early activity, the Housing Secretariat Division hosted a roundtable presentation with the anchor institutions in early June 2023 to discuss the evolving request to senior levels of government regarding permanent supportive housing and supports for people experiencing chronic homelessness. The Housing Secretariat Division presented three primary groups of activities: 1) pursue funding from all levels of government to begin constructing new units of permanent supportive housing; 2) continue to advocate for more intensive case supports (e.g. mental health and addictions) that can be provided with any new units of housing being built; and 3) modernize the Residential Care Facilities Subsidy Program (Report HSC19064(a)) – where differing levels of daily living supports are provided in combination with a housing unit. These three areas of activity received strong support.

Led by the Housing Secretariat Division, in partnership with affordable housing providers, community leaders, health and social service providers, this more comprehensive request to senior levels of government will include:

- A shared contribution of capital and operating funding to create at least 200 additional units of permanent supportive housing within the next three years (cost-sharing proportions between levels of government to be determined); and
- Continued discussion with the Ministry of Health and Ministry of Municipal Affairs and Housing to bring new mental health and addictions supports for very high acuity individuals in Hamilton. These supports can be linked to new units being built, or to support higher acuity individuals.

The Municipality as a Leader-Catalyst

Construction and operation of supportive housing requires active investments from municipal, provincial, and federal governments. Traditionally, municipal governments are one of the last funders to the table – covering the construction shortfall (or over-run), making grants (capital or operating) to a particular project, donating property, waiving fees, etc. Contained in the Healthy and Safe Communities, August 17 report: Addressing Needs of Unsheltered Individuals and those relying on Hamilton's Emergency Shelter System (Report HSC23041) are recommendations that will enable

SUBJECT: Update on City's Advocacy Regarding Housing with Supports (HSC23054) (City Wide) - Page 7 of 7

the City to be the first funder at the table – to pro-actively create a reserve fund to be used only for leveraging permanent supportive housing projects. Staff anticipate the requested amount (approximately \$10 million per year for three years) will enable the Housing Secretariat Division to achieve the 200 units proposed in the Roadmap, and possibly more. Work is underway within the Housing Secretariat Division to identify potential funding sources and options to enable this advance, multi-year commitment, as well as define the parameters by which Council would delegate decision-making authority to the Housing Secretariat Division to enable best possible outcomes. As described in Report HSC23041, staff have identified funding options to make this advance, multi-year commitment as an in-year investment, rather than referring the item to the budget process. The Housing Secretariat Division is additionally defining parameters that will be used in determining project priorities, including: 1) maximizing investments from provincial and federal governments, 2) ability for projects to support people with mid-high acuity needs, 3) projects that will provide units for people experiencing homelessness in shelters or encampments and who are on the City's By-Name Priority list, and 4) consistency with the Calls to Action of the Truth and Reconciliation Commission.

The timing of this investment is important. Hamilton is Home and other affordable housing proponents are already in the process of developing competitive proposals to secure limited federal and provincial funding for the 2023-2024 and 2024-2025 project year. Creating a targeted reserve fund for supportive housing gives Hamilton projects a competitive advantage. Allocations for many of the larger “first come, first serve” federal/provincial housing grants (which usually hinge on a “guaranteed” municipal contribution) can be greatly reduced by the time a specific request can be approved through the municipal budget process and/or committee and council cycles. We anticipate higher amounts of federal and provincial supportive housing funding will come to Hamilton as a result of allocating through this type of proactive and strategic approach. This commitment will considerably strengthen the position of the City and community partners' work on government relations, fundraising, and advocacy regarding the need for additional units of supportive housing to respond to homelessness and encampments

For a detailed discussion of the full investment strategy regarding supportive housing and homelessness, please refer to Report HSC23041.

APPENDICES AND SCHEDULES ATTACHED

None