

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT BOARD
MEETING OF WEDNESDAY, DECEMBER 9, 2015**

SUBJECT **Regional Housing First Strategy “Feasibility Study”**

ISSUE

To undertake a feasibility study of the Capital Regional Hospital District (CRHD) or Capital Regional District (CRD) serving as the lead agency to develop and implement a plan for new units of housing with supports to substantially reduce homelessness in the capital region by 2018.

BACKGROUND

The City of Victoria Council submitted a Notice of Motion to improve health outcomes through a Regional Housing First Strategy (Appendix A). While the notice of motion included a number of recommendations, the CRHD Board directed staff to undertake a feasibility study as a first step and report back before taking further action (Appendix B). The direction contemplates that the CRHD/CRD would work in partnership with the Greater Victoria Coalition to End Homelessness (GVCEH), Island Health, BC Housing, social service agencies and other local, provincial and federal authorities to develop and implement a plan to substantially reduce homelessness in the capital region by 2018.

Experience suggests that the most effective and sustainable solutions to addressing and ending homelessness requires two critical components: 1) collaboration amongst funding partners and service providers; and 2) ensuring the interconnected system of housing types and community services is as seamless as possible along the full housing spectrum. Available affordable housing can allow those currently in highly subsidized supportive housing who no longer need such supports the opportunity to opt for less-subsidized housing with some or no supports, freeing up supportive housing units for those in highest need currently on waitlists.

Recent discussions with BC Housing indicate a willingness to consider a partnership with the CRD in matching capital funding rather than providing new rent supplements, to help address the current need for additional supportive and supported housing units. Island Health has also indicated a preference to align its mental health and addictions service planning with a regional homelessness strategy. These discussions have also affirmed commitments to greater emphasis on preventative services, and better alignment of services with greater affordable housing opportunities.

Existing Mandates, Authorities and Agencies

The following is a summary of the mandate, authority and financial capacity of those CRD-based or affiliated entities involved in housing as well as a brief overview of the involvement by BC Housing and Island Health.

CRD Entities

A full description of the CRD entities are included in Appendix C.

Capital Regional Hospital District

The CRHD has powers to hold and develop property for healthcare purposes, can fund and develop CRHD-owned properties and external agency projects, and has broad borrowing authority through Board-approved property tax requisitions. The CRHD has direct access debt financing through the Municipal Finance Authority (MFA), and can also borrow through private institutional and social finance investors. CRHD expenditures require that the Minister of Health designate each proposed project as a healthcare facility under the *Hospital District Act*.

CRD Land Banking and Housing (LBH) Service Authority

LBH was established through By-Law 3712 in 1966 to undertake land assembly for the purposes of either public or private housing and to undertake the development and operation of a range of public housing projects pursuant to the *National and Provincial Acts* including all powers of the municipality. LBH has the power to own land for housing purposes, and fund, acquire or develop CRD housing developments, through CRD requisitions. The CRD also has the ability to incorporate one or more corporations to carry out these purposes, such as the Capital Region Housing Corporation (CRHC), subject to the approval of the Province.

Capital Region Housing Corporation

The CRHC is a wholly owned non-profit corporation of the CRD established under the authority LBH, established in 1982. The CRHC owns and operates 45 affordable housing facilities with 1286 units for families, seniors and people living with disabilities. The CRHC has also entered into several partnerships with social service societies to provide supported housing. In these cases the CRHC provides property management services while the societies provide the supports.

The CRHC is governed through its Articles of Incorporation and its business is restricted to the purchase, lease, acquisition, sale, management, mortgaging and rental of property to be used for public housing and carrying out of research and planning activities related to housing as well as participation in joint public and private partnerships for the purpose of financing housing projects. The articles also allow for the establishment and maintenance of a Statutory Reserve Fund to provide funding for housing initiatives. The Housing Corporation has the direct ability to access debt financing through the Community Partnership Initiatives (CPI) through BC Housing, Canada Mortgage and Housing Corporation (CMHC) direct lending, private institution financing and/or social financing. Land Banking has the ability to requisition debt servicing funding on behalf of the CRHC through MFA.

Regional Housing Trust Fund (RHTF)

The RHTF was established in 2007 through By-Law 3266. The current requisition from its 11 participating municipalities and 2 electoral areas is a little under \$1 million annually to support the development of affordable housing in the region. Fund contributions are established through consensus by contributing members. To date the RHTF has distributed over \$9.6 million in grants and leveraged 10 to 1 (approximately \$100 million) from housing providers and other levels of government to support the development of 751 units of affordable housing. Of these, 365 are supportive housing units and 386 are affordable rental units. The section 219 agreements that the CRD registers on title for the affordable rental projects restrict unit rents at or below BC Housing’s Household Income Limits. The low rents on these units combined with the fact that their development and operations are not directly subsidized makes these units eligible for rent supplements and therefore available to be used as *supported housing* units for chronically homeless individuals.

Partner Agencies

The Greater Victoria Coalition to End Homelessness

The GVCEH is a community-based partnership that includes service providers in the non-profit and public sectors, housing advocates, business representatives and elected officials, which was formed in February 2008 to lead the region's commitment to end homelessness. The CRD, the City of Victoria, Island Health, the United Way and Victoria Foundation currently fund the operations of the GVCEH.

British Columbia Housing Management Commission (BCHMC)

BCHMC develops, manages and administers a wide range of subsidized housing options across the province. They partner with public and private housing providers, health authorities, and other levels of government and community agencies to create a system of housing and support for those in greatest need. BCHMC is the legitimate provincial entity through which provincial funding is allocated across the province for affordable housing.

Island Health

Island Health provides health care to more than 765,000 people on Vancouver Island. Island Health Adult Mental Health and Substance Use Services offers a range of services from short-term crisis intervention to rehabilitation and housing and many options in between. Island Health provides varying levels of supported living from tertiary care to residential facilities to group homes. They also provide a variety of community-based support programs to enable individuals to live as independently as possible.

ANALYSIS

A number of economic, social and systemic barriers are currently undermining the CRD and its partners' capacity to eliminate homelessness. They include:

- incomes not keeping up with the cost of living;
- shortage of affordable housing;
- community resistance to affordable housing development;
- social service agencies under strain;
- lack of coordination in mainstream systems;
- interventions not meeting particular priority population needs (e.g., Aboriginal people, women fleeing violence, people exiting corrections, youth, etc.); and
- regulatory and program complexity and inefficiency at all government levels.

In 2014 the GVCEH published findings in the Creating Homes, Enhancing Communities (CHEC) Report that included a detailed plan for creating housing options to support the 367 identified chronically homeless. It includes an estimate of the number of purpose-built supportive housing units and the number of rent supplements needed to address the broad range of needs among these individuals. The CHEC Report approach aligns with a Housing First Approach to addressing the needs of homeless people in that it recommends a range of approaches to be funded to complement the existing spectrum of housing options currently available to support choice among this cohort of homeless individuals. This spectrum ranges from health centres with high levels of clinical supports to supportive housing projects to independent housing units in market and non-profit rental projects that include wrap around clinical and/or social supports

(sometimes referred to as community-based supported housing). A summary of the types of housing recommended within the CHEC Report to meet a range of homeless support needs is presented in Table 1.

Table 1 – Estimated Number of Units Needed to Address Chronic Homelessness

Population	Units Required	Model	Housing Model
High Needs+	48	Tertiary Care	Purpose Built Congregate
55+	59	Residential	
High Need	78	Supportive	
	21	Supported	Rent Supplements
Moderate Need	161	Supported	
TOTAL	367		

The Spectrum of Care

Appendix D is a graphic presentation of the typical housing, health and social services spectrum, ranging from acute care medical services through to affordable rental housing that may simply require some form of income supports (rent supplement). *Supportive housing* is identified as one of the potential interventions available along the Spectrum. *Supported housing* options are represented within the three right hand columns of the Spectrum.

Typically, supportive housing is for persons experiencing chronic homelessness who also struggle with mental health and/or addictions issues, and involves:

- specially designed residential buildings (features such as enhanced security and high durable materials);
- self-contained living units (typically bachelor-type suites);
- 24/7 on-site staffing to provide social and clinical supports and services, and ensure the safest living environment possible for these vulnerable residents.

ALTERNATIVES

1. The Capital Regional Hospital District Board (CRHD) recommend that the Capital Regional District (CRD) Board that:
 - a) The CRD seek the authority to borrow up to \$30 million to fund affordable or supportive housing projects in conjunction with the existing borrowing authority of the CRHD (for designated health facilities), subject to agreement by the British Columbia Housing Management Commission and the Province to match this funding.
 - b) The CRD request the provincial government contribute through its ministries and agencies sufficient funding for the social and healthcare support services to complement the projects that receive capital funding from the CRD/CRHD and BC Housing.
 - c) Staff be directed to develop a policy and program framework to support the utilization of these housing development funds for supportive and affordable housing purposes across the Spectrum in partnership with BC Housing and in consultation with Island Health, Greater Victoria Coalition to End Homelessness and other social service agencies and local, provincial and federal authorities.
2. Direct staff to undertake further analysis and return to the Board with recommendations.

IMPLICATIONS

The CHEC Report clearly outlines the need for additional capital investments to support the development of 367 additional units of purpose built *supportive and affordable housing* in the region. A decision by the CRD to borrow up to \$30 million with the opportunity to receive matching investments from BC Housing would substantially improve the capacity of regional partners to help build the *supportive housing* units needed to address those currently identified as chronically homeless. In order to meet the needs of the 182 individuals who can be served through *supported housing* approaches there is a requirement for increased development of affordable market or non-profit rental housing units.

The capital funds contributed by the CRD/CRHD and BC Housing would target housing projects to address gaps in the housing spectrum to house the chronically homeless and enable a smooth transition through the spectrum. The CRD currently works in partnership with BCHMC in creating and funding supportive and affordable housing in the region through its operating agreements with CRHC and joint leveraging of municipal, provincial, federal and charitable funds through the RHTF.

The newly proposed partnership would result in an evolution of the RHTF from its current purpose of providing seed grant funding with an annual requisition of approximately \$1 million, to a regional housing first model. This model would be funded through the matching capital funding partnership with BC Housing with support services contributed by other agencies. The regions share would be levied by way of a new borrowing authority, funded by a regional requisition to cover the borrowing costs partially offset by reallocating the current RHTF requisition. Any new designated health facilities for the chronically homeless population would be funded through the CRHD utilizing the borrowing authority for health capital projects rather than the new borrowing authority proposed for the CRD. The CRHC could have a role in taking on projects which are appropriate within its mandate, complementing other non-profit project or housing agency proposals.

Coordination among funders and service providers will be needed to support and guide implementation. The GVCEH would continue to have a planning role in support of the initiative. A structure will need to be developed to review and recommend project funding allocations. An option would be for the RHTF Commission to be repurposed into an advisory body for the initiative, providing a project review function and making recommendations through the funding partnership to the boards of the CRD and CRHD and BC Housing with respect to project approvals.

Additional support services, both clinical and social, are required to make this initiative successful. Support services are currently funded through Island Health, BC Housing, the federal government Homelessness Partnership Strategy and charitable foundations. Through discussions with Island Health and BC Housing, the CRD has identified an opportunity to partner with these organizations in taking a leadership role in approaching the ministries of Health, Children and Family Development, Justice, and Social Development and Social Innovation to consider supporting more systemic approaches to meeting support service needs.

The specifics on implementation will need to be determined as part of the development of a policy and program framework in partnership with BC Housing and in consultation with Island Health, GVCEH and other social service agencies and local, provincial and federal authorities.

CONCLUSION

The CRHD/CRD have the service structures required to serve as the lead agency to develop and implement a plan for new units of housing with supports to substantially reduce homelessness in the capital region by 2018. Considerable planning has been completed by the CRD/CRHD, the GVCEH and other community stakeholders to identify the scope of the homelessness challenges facing the region.

Recent discussions with BC Housing indicate a willingness to partner with the CRD in matching capital funding. Island Health has also indicated a preference to align its mental health and addictions service planning with a regional homelessness strategy.

There is a need to work in partnership with provincial ministries to address the funding shortfall for appropriate support services.

RECOMMENDATIONS

The Capital Regional Hospital District Board (CRHD) recommend that the Capital Regional District (CRD) Board that:

- a) The CRD seek the authority to borrow up to \$30 million to fund affordable or supportive housing projects in conjunction with the existing borrowing authority of the CRHD (for designated health facilities), subject to agreement by the British Columbia Housing Management Commission and the Province to match this funding.
- b) The CRD request the provincial government contribute through its ministries and agencies sufficient funding for the social and healthcare support services to complement the projects that receive capital funding from the CRD/CRHD and BC Housing.
- c) Staff be directed to develop a policy and program framework to support the utilization of these housing development funds for supportive and affordable housing purposes across the Spectrum in partnership with BC Housing and in consultation with Island Health, Greater Victoria Coalition to End Homelessness and other social service agencies and local, provincial and federal authorities.

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MR/cn

Attachments: Appendix A “Notice of Motion”, City of Victoria Council
Appendix B Excerpt from the October 14, 2015 CRHD Board Meeting
Appendix C Profile of CRD-Based Entities
Appendix D Spectrum of Housing and Services