



COUNTY OF WELLINGTON

To: City of Guelph Staff

From: Housing Services Division, County of Wellington

Date: July 2, 2024

Subject: Guelph Tiny Homes Coalition Proposal Review

Background:

This report is in response to the following resolution adopted by Guelph City Council on May 28, 2024, and subsequently forwarded to the Joint Social Services and Land Ambulance Committee on Tuesday June 12, 2024.

“The City Council request that the County of Wellington’s Housing Services staff work with City staff to evaluate and determine the viability of and suitability of the Guelph Tiny Homes Coalition’s proposal and gauge the County’s potential involvement in the project; and that staff report back to City Council no later than July 2024, or sooner.”

Role of Service System Manager for Housing Services

As the Service System Manager, Housing Services is responsible for allocating funds for permanent affordable housing development in Wellington-Guelph. When funding becomes available, the County issues a Request for Proposal and evaluates all submissions received (see link: www.wellington.ca/affordable-housing-RFP as an example of an Affordable Housing Development RFP for information purposes only). If a proposal is determined viable, it will proceed to Committee and Council with a recommendation for approval.

County staff are proficient in evaluating permanent affordable housing proposals on a regular basis and regularly connect with groups interested in housing development. The criteria used for evaluating proposals generally focuses on the financial viability of the business plan, budgets submitted, qualifications, organizational capacity, programme structure, familiarity with identified target groups, development design, construction timelines, planning milestones and ability to meet ready start status, among other items.

While the County receives many submissions from interested community groups, not all proposals are ready to proceed. Notable proposals that have successfully received funding through this process in the past 5 years are Habitat for Humanity’s Cityview Village, St. Joseph’s Silver Maples Seniors Community, Wyndham House’s Bellevue Project, Stepping Stone’s Grace Gardens, and the newly opened Kindle Communities supportive housing facility at 10 Shelldale.

In 2021 and 2022, County staff, at the request of the City of Guelph, created an evaluation process to support the creation of new affordable rental housing units for the City’s Affordable Housing

Reserve which served as a collaborative effort with City and County staff participating in the reviews with projects noted to be viable submitted to City Council for consideration.

The County is prepared to develop a similar evaluation process specifically for the purpose of evaluating temporary structured encampments, as many of the core factors utilized in reviewing and evaluating affordable development proposals will extend to the site being proposed by the Coalition.

Preliminary Review of Tiny Homes Coalition’s Proposal – Viability

The Tiny Home Coalition’s proposal, in its current state, appears to not be viable, as many factors which need to be evaluated are not addressed or supporting data is not provided. To be evaluated, the necessary criteria used to assess viability, such as secured land, a fully costed operating and capital budget, demonstrated financial viability, programme designs, formalized partnerships, client management, site designs, planning approvals and detailed construction timelines must be present.

The sections below, while not the comprehensive list of information and documents required for a full evaluation process, highlight general comments on the Coalition’s proposal as broken down by the 5 major criteria that the Housing Services division uses in its typical proposal evaluation process.

Programme Design

- Clearly defined staffing ratios, sustainability plan, client-centered programme design, plan of support regarding intake, oversight of clients, support to accessing permanent solutions, well-being assessments, discharges and exits from the programme are needed.
- More information is required regarding client assessments, prioritization, data collection, case management, client support, education, and assistance.
- The project does not reference sector best practices and service models.
- More details on how property will be governed, and site rules are needed. Questions around how this site will operate and if it will fall under the RTA with full rights to tenants.
- The project, as described, appears to be heavily reliant on volunteers to achieve the level of support identified. More details on the staffing and volunteer make up are needed.

Organizational Capacity

- The development team is not fully identified.
- More details are needed on the team’s experience in development and property management.
- Demonstration of ability to undertake the work proposed and sustain the project over a long-term is needed.
- The service delivery relationship is not clearly defined through a binding agreement or memorandum of understanding.
- More details are needed on formal commitment from local health agencies to ensure success of model and well-being of residents on site.

Development Design

- The stated term for the project is not consistent.
- The work is too preliminary to provide unit and site design, accessibility, energy efficiency, target group intake and resident management details.
- More details are needed from the proponent around collaborations with lived experience.
- The location is not secured.

Business Plan and Financial Viability

- A construction budget with qualified costing needs to be provided.
- Capital expenses such as sewer, water, hydro connections need to be identified.
- Many specific items are referenced without certainty or based on noted assumptions such as development costs, roofing, and HVAC systems.
- Costs such as contingency, HST, admin/project manager, carrying costs and other costs are not noted in the construction budget.
- The Coalition has not noted any existing access to funding and needs to identify alternate funding arrangements to manage potential construction overruns.
- A detailed operating budget has not been provided. County staff draws attention to the Region of Waterloo's Erb Street structured encampment which is operated using best practices and cost the Region \$5.5 million in its inaugural year, with ongoing operating costs projected to be \$2.5 million annually. The Coalition's proposed high level operating budget of \$627,000 appears to be an underestimate of operating costs.

Construction Milestones and Ready Start

- More details around the proposed construction schedule are needed.
- The project is too preliminary to provide details around planning approvals, permits, drawings, site plan, servicing, environmental approvals, any variances etc.
- Significant work is needed to move this concept into the pre-development planning phase, which will be a costly process.

Preliminary Review of Coalition's Current Proposal – Suitability

When looking at the suitability of this project for our community, this section of the report will look at the needs analysis of the housing stability system, alongside Housing Service's provincial and federal programmes and services to end chronic homelessness.

Inflow/Outflow Trends Analysis

As interest rates continue to rise, there is increased pressure on the ownership market, leading to fewer households leaving the rental market for home ownership. At the same time, the primary and secondary rental markets are under continued pressure from large increases in student population, pending and prolonged Landlord and Tenant Board delays, very low vacancy rates and high rental costs. These continued and growing economic pressures have resulted in a rise in households experiencing housing insecurity and increased experiences of homelessness, which ultimately put additional pressures on the Wellington-Guelph housing stability system.

Since June of 2023, Wellington-Guelph has seen an increase in experiences of homelessness that have persisted into the first half of 2024. The Wellington-Guelph By-Name List data shows there has been a 33% increase in the monthly average of people experiencing homelessness since January 2023. The number of individuals experiencing homelessness on the Guelph Wellington By-Name List are the direct result of inflows to and outflows from experiences of homelessness. The measurement of inflow and outflow numbers on the By-Name List are important to track at a system level, as they help determine who is new or returning to experiences of homelessness, who has found a permanent housing solution or has left the area. These numbers are used every month to determine the number of people experiencing homelessness on the By-Name List in our community, and this real-time actionable data supports triage to services and system performance evaluation.

When we analyze the inflow and outflow numbers in the By-Name List data, we see that our average monthly inflow into experiences of homelessness sits at 24.25 new individuals per month and that our average monthly outflows are sitting at 19.5 individuals per month leaving the system. The majority of the individuals that leave the By-Name List are those that are housed, with 14.5 individuals per month being permanently housed and coming off the list. Our housing stability system has a mandate to be housing-focused, meaning that the Housing Services division and community partners strive to work with people to find permanent housing solutions. In 2023 the housing stability system permanently housed 144 individuals experiencing homelessness, which represented 40% of the 368 individuals that experienced homelessness over the course of 2023. In the first five months of 2024, the housing stability system housed 90 people experiencing homelessness, and our goal for the end of the year is to house 200 people experiencing homelessness.

Despite this progress in finding many permanent housing placements, with an average inflow of 24.25 individuals per month in 2024, the increased inflow into experiences of homelessness is rising at a much faster pace than the outflows into permanent housing placements. The increased inflow means there are more individuals in our community newly experiencing homelessness, which places increased demands on our Housing Stability System. The best way for our community to address homelessness is by preventing new experiences of homelessness and by permanently housing those that are already experiencing homelessness. The figure below shows the trend analysis of the By-Name List numbers going to the end of 2025.

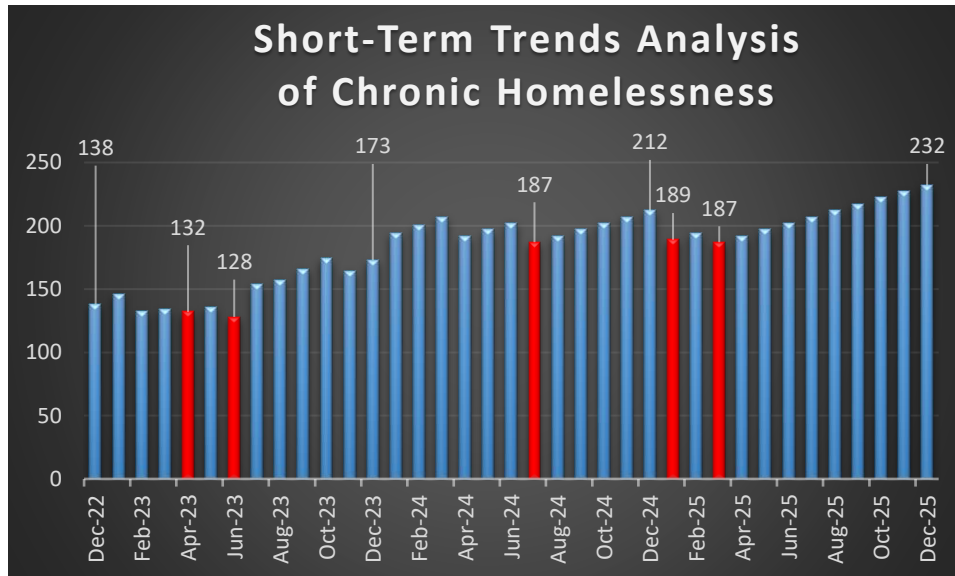


Figure 1 This bar graph shows the number of individuals experiencing chronic homelessness on a monthly basis over a 3-year period, and projects the impacts of new supportive and transitional housing on the By-Name List during that time. The red bars identify months where a supportive or transitional housing project has or will come online.

Experiences of homelessness look different for everyone. Sheltered homelessness is described as individuals that are either accessing the emergency shelter system on a regular basis or those that are precariously housed living in unstable situations with friends or family members. Unsheltered homelessness is described as individuals who are living rough in the community, typically on their own but sometimes in small groups, which can be referred to as encampments.

Wellington-Guelph data over the past years shows that approximately 93% of individuals are experiencing sheltered homelessness (60% accessing shelter or other temporary accommodation spaces and 33% in precariously housed situations). About 7-8 % of those on the BNL are living unsheltered.

As of June 12, 2024, data from the By-Name List and from Guelph By-Law show there are 17 individuals experiencing unsheltered homelessness in the City of Guelph. The following section speaks to the capacity of the housing stability system, and how it relates to the needs of the community.

Emergency Shelter, Temporary Accommodation and Transitional Housing Capacity
 In 2019, there were 52 emergency shelter beds for youth and adults, and as of today, there are 149 beds available. This growth represents an increase of 97 beds in availability of emergency shelter and temporary accommodation spaces. There are also an additional 20 emergency shelter beds available when occupancy levels spike at the 23 Gordon emergency shelter site.

Emergency shelter beds are available at several different locations for youth, adults, and families. The emergency shelter site for adults at 23 Gordon is currently under construction, adding 24

shelter spaces to the existing 27 emergency shelter beds and, 12 new transitional housing spaces. The Youth Emergency Shelter site has 14 beds and is located at 18 Norwich Street East. In November 2023, emergency shelters at 1 Waterloo Avenue (19 beds) and the substance use free site at Highway 6 (21 beds) re-opened in response to an increase in families experiencing homelessness. Finally, the stabilization of 68 spaces at 128 Norfolk Street in Guelph, which can accommodate couples and will be investigating options for pets has made a substantial contribution to our expanded capacity.

If current trends continue, the number of individuals experiencing chronic homelessness is projected to increase to approximately 232 individuals by December 2025. With the additional 40 units of transitional housing and the new emergency shelter beds in development, the number of beds available for people experiencing chronic homelessness expands to a total of 210 permanent spaces available within the housing stability system by the beginning of 2025. In summary, with the planned capacity increases in the system, Wellington-Guelph will be in position to accommodate up to 96% of individuals on the By-Name List in 2025.

Focusing on Ending Homelessness

Continuing the review of suitability, in 2019 our community made ending chronic homelessness our top priority in the Housing and Homelessness Plan's 5-year update. This focus was built on the successes of the previous 5 years where our community brought in a Housing First philosophy to strengthen how we work with our most vulnerable neighbours. The County, as the Service System Manager, the lead agency for federal Reaching Home funding and a member of the Built for Zero-Canada has responsibilities for preventing and responding to experiences of homelessness, and for allocating federal and provincial funds with a housing-focused lens. Being housing-focused places emphasis on preventing experiences of homelessness and striving to find permanent housing solutions, while providing temporary solutions. This focus creates the foundation and opportunity to end homelessness. Permanent housing solutions will remain the County's focus alongside extensive prevention efforts, to reduce inflow and ensure that our community is moving closer to ending homelessness.

"Wellington County has one of the most advanced and effective housing-focused homelessness response systems in the country. You have demonstrated an ability to support people in both securing and maintaining permanent housing and have proven adept at data-driven continuous improvement. Improvements like new prevention efforts and smart and targeted investments in supportive housing position you well to for a permanent, sustainable, and effective response to unsheltered homelessness."

*Tim Richter, President and CEO of Canadian Alliance to End Homelessness,
June 11, 2024.*

Furthermore, dedicated resources from the health system are needed to support the primary care, mental health, and addiction support needs of those within the housing stability system and those

in rental housing who need these supports. Increased housing stability cannot happen without appropriate and timely health supports, and as an important piece of our community's tertiary homelessness prevention system, it cannot be overlooked, as access to supports and being recovery oriented is a core principle of a Housing First system.

County's Involvement in the Project

The County recognizes the work of the Guelph Tiny Homes Coalition. It acknowledges and respects this community-led project to provide community's most vulnerable with a structured encampment option.

The Guelph Tiny Homes Coalition's presentation to the Joint Social Services and Land Ambulance Committee on June 12, 2024, asked for specific requests of the County to support the project:

1. Integration of the Guelph Tiny Homes Project with the County's "By-Name List"
2. Similarly to Kitchener-Waterloo projects, that the County facilitate that the ODSP and OW shelter allowance from residents can be used to support the delivery of the Guelph Tiny Homes Project
3. That the Guelph Tiny Homes Project is integrated in the County's housing continuum pipeline. Integration will ensure an exit strategy for residents.

Response:

In response to the first request of the County from the GTHC:

Request: Integration of the Guelph Tiny Homes Project with the County's "By-Name List"

Individuals experiencing homelessness in Wellington-Guelph are added on to our community's By-Name List (BNL) through any one of the 15 door agencies that are part of our community's Coordinated Entry System. It is in this way that people in our community are connected to our By-Name List. Agencies that deliver emergency shelter services, transitional housing or permanent supportive housing are not attached to our BNL. This first request seems to be a simple misunderstanding by the Coalition, but this does not present a barrier to the work the group is proposing. Our goal is to ensure that everyone in our community has a permanent place to call home, regardless of the circumstances of their precarious housing situation.

The Coalition's proposal includes an agreement in principle with Royal City Mission (RCM) to support the coordination of services. RCM has strong connections to our community's Coordinated Entry System. The County will continue to use, in collaboration with RCM and all our Door Agencies, our community's established processes to reach out and connect with individuals who are temporarily sheltered or unsheltered, supporting them to access services and include their information on the community's By-Name List.

In response to the second request of the County from the GTHC:

Request: Similarly to Kitchener-Waterloo projects, that the County facilitate that the ODSP and OW shelter allowance from residents can be used to support the delivery of the Guelph Tiny Homes

The County is agreeable to further exploring this request for eligible recipients of Ontario Works, limiting our response to our mandated services, which is for Ontario Works only. The County of Wellington Social Services department does not administer the ODSP programming.

In response to the third request of the County from the GTHC:

Request: That the Guelph Tiny Homes Project is integrated in the County's housing continuum pipeline. Integration will ensure an exit strategy for residents.

The interpretation of the Housing Continuum as a "pipeline" does not ring true from a Housing Services or Service System Manager perspective. The Housing Continuum is a tool developed by the federal and provincial governments and used by Service System Managers to broadly illustrate different types of housing services that are connected to their work, as contracted by the Government of Ontario, and further reinforced through the federal National Housing Strategy.

Wellington and Guelph has a history of and has been recognized for considerable success in permanently housing those experiencing homelessness. Helping people access a permanent housing solution is critical to the work of ending homelessness. An important first step in the path towards housing-focused work would be for the Coalition to support the Wellington-Guelph Coordinated Entry System. The Coordinated Entry System was established in 2017 and includes many community and health service agencies across Wellington-Guelph that are door agencies which use a common and consistent process to bring forward information about individuals in need to be included on our quality By-Name List.

The Coordinated Entry System and the By-Name List reinforce our system level transformation to shift our community's focus towards ending experiences of homelessness (prevention and support to attain and maintain housing placements) and away from managing experiences of homelessness (focusing resources on emergency responses). If this project were to move forward, the next steps would be to update existing agreements already in place with Royal City Mission to support this housing focused work.

Summary:

The County recognizes and appreciates the Coalitions community-led project to provide more options for our most vulnerable citizens, which is being experienced by most municipalities across the country. In response to the resolution adopted by Guelph City Council on May 28, 2024, and the specific request by the Guelph Tiny Homes Coalition:

1. The project, in its current state, appears to not be viable, as many factors which need to be evaluated are not addressed or supporting data is not provided. As such, once the required information is provided, the County will work with the City and the Coalition to conduct an evaluation and provide feedback.
2. If approved by the City of Guelph, the County will support the integration with the County By-Names List through Royal City Mission, will explore the provision of OW recipients shelter allowances, and will support access the County's housing-focused strategy through Royal City Mission.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mark Poste".

Mark Poste
Director of Housing Services