

**DATE:** February 10, 2023

**FILE:** 1700-02/2023/451

**TO:** Chair and Directors  
Regional District Board

Supported by Russell Dyson  
Chief Administrative Officer

**FROM:** Russell Dyson  
Chief Administrative Officer

*R. Dyson*

**RE: Proposed 2023 Budget and Financial Plan  
Homelessness Supports Service, Function 451**

---

### **Purpose**

To provide the proposed 2023 – 2027 financial plan for the Homelessness Supports Service, function 451.

### **Recommendations from the Chief Administrative Officer:**

1. THAT the Comox Valley Coalition to End Homelessness' 2023 Housing Plan, including the following allocations to be included in the 2023 – 2027 recommended financial plan for Homelessness Supports Service, function 451, for the following projects, be approved:
  - i. \$70,000 towards construction of a 22 unit of affordable housing for families in the Village of Cumberland (Comox Valley Transition Society);
  - ii. \$75,000 towards 40 studio and one-bedroom units, with some supports, for Indigenous elders and low-income seniors at 1679 McPhee Avenue, Courtenay (Wachiay Friendship Centre);
  - iii. \$30,000 towards two units of the townhouse construction at 1375 Piercy Avenue, Courtenay to be adaptable to accessibility needs (Habitat for Humanity Vancouver Island North); and
  - iv. \$75,000 towards the development or purchase of one unit to house four to five 2SLGBTQQIA+ youth who are homeless or at risk of becoming homeless (Dawn to Dawn).
2. THAT a \$40,000 allocation be included in the 2023 – 2027 recommended financial plan for Homelessness Supports Service, function 451, to be provided to the Comox Valley Transition Society as the fiscal host for the Coalition to End Homelessness, be approved for the following purposes:
  - i. \$30,000 to be used towards the cost of funding a Coordinator position for the Coalition; and
  - ii. \$10,000 to be used towards the cost of honoraria for peers to attain first-hand information to aid the Coalition, and the community; subject to the preparation of a funding agreement that addresses matters such as term, reporting requirements, roles and responsibilities and use of the funds.
3. THAT the 2023 – 2027 recommended financial plan for the Homelessness Supports Service, function 451, reflect an increase in the annual tax requisition in 2023 of \$176,314, from \$245,000 to \$421,314, which represents the maximum allowable requisition for the service in 2023 based on the maximum levy which is the greater of \$165,000 or \$0.02 per \$1,000 of taxable assessed value.

4. THAT \$116,314 from the 2023 – 2027 recommended financial plan for Homelessness Supports Service, function 451, be used to pay a portion of the Comox Valley Regional District’s development cost charges for the Wachaiy Affordable Housing Project at 1679 McPhee Avenue, Courtenay.

**Executive Summary**

<b>Core Service:</b>	Regional Sustainability
<b>Service Name:</b>	Homelessness Supports Service
<b>Purpose:</b>	To provide funds to one or more local non-governmental organizations based on a Board-approved five-year action plan to address homelessness in the Comox Valley
<b>Participant:</b>	City of Courtenay, Village of Cumberland, Defined Electoral Area A (Baynes Sound), Electoral Area B (Lazo North) and Electoral Area C (Puntledge – Black Creek)
<b>2023 Proposed Changes to Service:</b>	Status quo

Highlights include:

- The maximum levy for this service is the greater of \$165,000 or \$0.02 per \$1,000 of the net taxable value of land and improvements for regional hospital district purposes. It is proposed that the levy be maximized at this time, therefore the maximum requisition available in 2023 would be \$421,314.
- Based on the 2023 completed assessment roll, the estimated residential tax rate for 2023 based on the proposed budget would be \$0.0104 per \$1,000 of assessed value (2022 = \$0.165), resulting in a tax impact for a property assessed at \$800,000 of \$8.32.
- If the Board endorses the increase in the 2023 tax requisition to the maximum allowable, being \$421,314, then the estimated residential tax rate for 2023 for the recommended financial plan would be \$0.0178 per \$1,000 of taxable assessed value resulting in a tax impact for a property assessed at \$800,000 of \$14.24.
- In a letter dated December 30, 2022, the Comox Valley Coalition to End Homelessness’ (CVCEH) Leadership Team presented three recommendation scenarios to fund four projects from the Homeless Supports Service (Appendix A). Staff is recommending Funding Scenario 3 which would allocate a total of \$250,000 from the 2023 - 2027 financial plan as follows:
  - \$70,000 towards construction of a 22 unit affordable housing project for families in the Village of Cumberland (Comox Valley Transition Society);
  - \$75,000 towards 40 studio and one-bedroom units, with some supports, for Indigenous elders and low-income seniors at 1679 McPhee Avenue, Courtenay (Wachaiy Friendship Centre);
  - \$30,000 towards two units of the townhouse construction at 1375 Piercy Avenue, Courtenay to be adaptable to accessibility needs (Habitat for Humanity Vancouver Island North); and
  - \$75,000 towards the development or purchase of one unit to house four to five 2SLGBTQQIA+ youth who are homeless or at risk of becoming homeless (Dawn to Dawn).
- The CVCEH has also requested that \$30,000 (no change from 2022) for the coordination of the Coalition and \$10,000 (increase of \$5,000 over 2022) for peer honoraria to engage individuals with lived experience be provided to the Comox Valley Transition Society as the fiscal host for the CVCEH.
- The CVCEH’s 2023 Housing Plan is attached (Appendix B) as is the CVCEH’s 2022 Annual Report (Appendix C).

Prepared by:	Concurrence:	Concurrence:	Concurrence:
<i>L. Kilpatrick</i>	<i>A. Mullaly</i>	<i>K. Douville</i>	<i>L. Wiwcharuk</i>

Lisa Kilpatrick Economic Recovery and Community Resilience Coordinator	Alana Mullaly General Manager Planning and Development Services	Kevin Douville Manager of Financial Planning	Lucy Wiwcharuk Chief Financial Officer
--	---	--	--

### Government Partners and Stakeholder Distribution (Upon Agenda Publication)

Comox Valley Coalition to End Homelessness Coordinator	✓
Comox Valley Transition Society	✓
Wachiay Friendship Centre	✓
Dawn to Dawn	✓
Village of Cumberland	✓
City of Courtenay	✓

### Background/Current Situation

2023 marks the eighth year of this service. Participants include Part Electoral Area A (Baynes Sound), Electoral Area B (Lazo North), Electoral Area C (Puntledge – Black Creek), the Village of Cumberland and the City of Courtenay. The purpose of the service is to provide funds to local nongovernmental organizations based on a Comox Valley Regional District (CVRD) Board approved five-year action plan to address homelessness in the Comox Valley. Recommendations for project funding allocation come from the CVCEH's Leadership Team. Three funding scenarios are proposed in anticipation of the service budget amount approved for 2023.

At the January Board meeting, a delegation and request was received from Wachiay Friendship Centre for the Developmental Cost Charges (DCCs) to be waived on the affordable housing development at 1679 McPhee Avenue. Based on the Board discussion centred on support for affordable housing and the staff report on the DCCs for the Wachiay Affordable Housing Project, staff is recommending that the requisition for this service be maximized. A maximum requisition will enable the Board to support the full recommendation and request from the Coalition and pay approximately one third of the DCCs towards the Wachiay Affordable Housing Project. It is noted however that the Coalition has recently considered the granting of funds to cover development cost charges for affordable housing projects and have recommended that Function 451 not be used for that purpose.

While staff are recommending that a portion of the DCCs be paid by the service at this time, there is a requirement for a more fulsome examination of the function of the service to support this approach as a potential solution to pay DCCs for affordable housing projects. This exploration will be included in the service work plan for 2023 to continue with the implementation of the 2021 service review recommendations to support the evolution and overall sustainability of the service. In addition, the consultant will conduct a service review of the Emergency Shelter and Land Acquisition Service, function 450, and will make recommendations on how these two services, 450 and 451 may work together to ensure greatest impact.

### Human Resources

There are no direct CVRD personnel costs assigned to this service. If approved, the 2023 service budget will support a portion of the costs of the CVCEH Coordinator role, through a funding agreement with the Comox Valley Transition Society.


Corporate Energy and Emission Plan

There are no Corporate Energy and Emission Plan factors related to this service.

**Financial Plan Overview**

**Table 1** summarizes the 2023 posted proposed budget compared to the 2022 adopted budget. Significant variances will be discussed in the financial plan sections that follow.

This table does not reflect the Board’s January 2023 discussion regarding paying Wachiay Friendship Centre’s development cost charges or staff’s related recommendation (Option 1, below).

		#451 CV Homelessness Supports		
Operating	2022 Budget	2023 Proposed Budget	Increase (Decrease)	
<b>Revenue</b>				
Requisition	350,000	245,000	(105,000)	
Senior Government Grants	1,093,174	0	(1,093,174)	
Prior Years Surplus	27,733	105,539	77,806	
	<b>\$ 1,470,907</b>	<b>\$ 350,539</b>	<b>\$ (1,120,368)</b>	
<b>Expenditures</b>				
Operating	1,465,660	343,779	(1,121,881)	
Contribution to Reserve	4,247	4,760	513	
Tsfr Other Functions	1,000	2,000	1,000	
	<b>\$ 1,470,907</b>	<b>\$ 350,539</b>	<b>\$ (1,120,368)</b>	

Revenue

The primary source of revenue for function 451 is the tax requisition, which, if the recommendation to use the maximum allowable requisition is approved, is proposed to increase by \$72,314 to \$421,314 in 2023. This increase reflects the maximum requisition allowed by the service bylaw and is an update to the posted proposed 2023 – 2027 financial plan.

In 2023, the estimated prior year surplus is \$105,539 of which \$91,028 is a carry forward from the Strengthening Communities Service grant. On March 8, 2022 the Board resolved “THAT if the grant funder deems the \$91,028 expenditure to the Comox Valley Transition Society eligible under the approved grant that staff report back to the board with a recommendation on reallocating the \$91,028”. CVRD staff understand that the City of Courtenay received an extension from the grant funder for the completion of the Strengthening Communities Service project. Once the City’s final report is accepted by the grant funder, CVRD staff will be able to report back to the Board on the use of the \$91,028.

Expenditures

Overall operating costs are proposed to decrease in 2023 by \$1,121,881. The substantive change is attributed to no additional government grants flowing through the service, such as the UBCM Strengthening Communities’ Services grant.

Operations - 2022

In 2022, apart from the Strengthening Communities’ Services grant, the service allocated \$235,000 in funding towards the following projects:

1. \$75,000 towards the capital costs to renovate and expand Connect at 685 Cliffe Avenue.
2. \$115,000 towards 40 studio and one-bedroom units, with some supports, for Indigenous elders on property at McPhee Avenue and 17th Street owned by the Wachiay Friendship Centre property (Wachiay Friendship Centre).
3. \$10,000 towards construction of a townhouse – one of three townhouses (12 units) to be constructed at 1375 Piercy Avenue, Courtenay (Habitat for Humanity Vancouver Island North).
4. \$30,000 + \$5,000 towards the Coalition to End Homelessness Coordinator position plus honoraria to engage individuals with lived experience. These funds were provided to the Comox Valley Transition Society.

Operations - 2023

Below are the options for allocation of the 2023 budget:

**Option 1**

That the 2023 tax requisition be increased to the maximum allowable requisition level of \$421,314 in order to:

- support the Coalition’s funding scenario three to allocate a total of \$250,000 as follows:
  1. \$70,000 towards construction of a 22 unit of affordable housing for families in the Village of Cumberland (Comox Valley Transition Society);
  2. \$75,000 towards 40 studio and one-bedroom units, with some supports, for Indigenous elders and low-income seniors at 1679 McPhee Avenue, Courtenay (Wachiay Friendship Centre);
  3. \$30,000 towards two units of the townhouse construction at 1375 Piercy Avenue, Courtenay to be adaptable to accessibility needs (Habitat for Humanity Vancouver Island North); and
  4. \$75,000 towards the development or purchase of one unit to house four to five 2SLGBTQQIA+ youth who are homeless or at risk of becoming homeless (Dawn to Dawn);
- allocate \$30,000 towards the Coalition to End Homelessness Coordinator position plus \$10,000 for honoraria to engage individuals with lived experience; and
- allocate \$116,314 to pay a portion of the Comox Valley Regional District’s development cost charges for the Wachiay Affordable Housing Project at 1679 McPhee Avenue, Courtenay.

This is the recommended option.

**Option 2**

That the 2023 tax requisition not be maximized and remain at the \$245,00 level as proposed in the Table 1 above (i.e. posted proposed budget):

- support the Coalition’s Funding Scenario 1 to allocate a total of \$150,000 as follows:
  1. \$35,000 towards construction of a 22 unit of affordable housing for families in the Village of Cumberland (Comox Valley Transition Society);
  2. \$48,000 towards 40 studio and one-bedroom units, with some supports, for Indigenous elders and low-income seniors at 1679 McPhee Avenue, Courtenay (Wachiay Friendship Centre);
  3. \$19,000 towards two units of the townhouse construction at 1375 Piercy Avenue, Courtenay to be adaptable to accessibility needs (Habitat for Humanity Vancouver Island North); and
  4. \$48,000 towards the development or purchase of one unit to house four to five 2SLGBTQQIA+ youth who are homeless or at risk of becoming homeless (Dawn to Dawn);
- allocate \$30,000 towards the Coalition to End Homelessness Coordinator position plus \$10,000 for honoraria to engage individuals with lived experience; and
- allocate \$40,000 to pay a portion of the Comox Valley Regional District’s development cost charges for the Wachiay Affordable Housing Project at 1679 McPhee Avenue, Courtenay.

Capital

There are no capital projects undertaken by the CVRD related to this service.

Reserves

The service’s future expenditure reserve had an estimated balance at the end of 2022 of \$46,203. The service delivery policy allows for funds to be set aside for a future activity, and the Board may assign funds to a reserve account. Modest contributions to this reserve are included in the 2023 –

2027 proposed financial plan, with \$4,760 in 2023 and an average of \$2,191/year for 2024 through 2027, which will result in an estimated reserve fund balance at the end of 2027 of \$59,725.

Full details for this financial plan are available at [www.comoxvalleyrd.ca/currentbudget](http://www.comoxvalleyrd.ca/currentbudget).

**Strategic Considerations: Strategic Drivers and Regional Growth Strategy**

CVRD Board Strategic Drivers:							
Fiscal Responsibility	✓	Climate Crisis and Environmental Stewardship and Protection		Community Partnerships	✓	Indigenous Relations	✓

Fiscal Responsibility:

Careful management of services and assets is essential to providing affordable and reliable services to citizens and businesses in the CVRD and ensuring impact by providing funding to projects that can then be used to leverage other sources of funding.

Community Partnerships:

The social fabric of our communities and the health and wellbeing of citizens depend on solid and sustainable community partnerships. Collaboration and support are ever present in guiding our service delivery. The key community partner is the CVCEH Homelessness’ Leadership Team (representing the member agencies) who provide the expertise and leadership to execute projects and works with the various community partners to deliver housing and supports.

Indigenous Relations:

Outreach to K’ómoks First Nation on a service review update and project basis through the regularly scheduled Chief and Council meetings.

CVRD Regional Growth Strategy Goals:							
Housing	✓	Ecosystems, Natural Areas and Parks		Local economic development		Transportation	
Infrastructure		Food Systems		Public Health & Safety	✓	Climate Change	

Among the goals of the Regional Growth Strategy this service most directly responds to the Housing, and Public Health and Safety goals, being:

- Housing: Ensure a diversity of housing options to meet evolving demographics and needs.
- Public health and safety: Support a high quality of life through the protection and enhancement of community health, safety and well-being.

**Intergovernmental Factors**

The Village of Cumberland and City of Courtenay are participants in this service. CVRD staff administers the service.

**Citizen/Public Relations**

In 2023, staff will report out on the progress of implementing the recommendations of the 2021 service review which should assist in raising the profile and transparency of the service.

- Attachments: Appendix A – CVCEH 2023 Funding Recommendation Letter  
 Appendix B – CVCEH 2023 Housing Plan  
 Appendix C – CVCEH 2022 Annual Report