

FOR: GOVERNANCE AND PRIORITIES COMMITTEE

MEETING DATE: [May 11, 2026]

DEPARTMENT: COMMUNITY SERVICES

SUBJECT: **HEALTH AND HOUSING ACTION PLAN: PROGRESS UPDATE AND FUNDING OPTIONS**

OVERVIEW

Purpose of Report

To provide the Governance and Priorities Committee with a status update on progress toward the Health and Housing Action Plan and to seek Council direction on the allocation of remaining Systems Planning Organization funds and resources set aside in the Special Initiative Reserve for homelessness programs and initiatives. |

Recommendation

That the Governance and Priorities Committee recommend that Council:

1. Select the preferred option(s) outlined in the report titled “Health and Housing Action Plan: Progress Update and Funding Options”, dated 2026-MAY-11, to address identified gaps and constraints in the Health and Housing Action Plan implementation, using available funds from the former Systems Planning Organization and the Special Initiative Reserve; and,
2. Direct Staff to return to Council with a subsequent report providing detailed information for the selected option(s), including proposed initiatives, budget requirements, implementation considerations, timelines, and anticipated outcomes.

BACKGROUND

|The Health and Housing Action Plan (HHAP) (Attachment A) was adopted by Council at a Regular Council Meeting on 2021-FEB-22 as the City’s framework for addressing homelessness, housing instability, health, safety, and poverty reduction. The HHAP emphasizes system-level coordination, shared accountability, and improved planning and data to support better community outcomes.

At the time the HHAP was implemented, Nanaimo did not have an integrated governance structure aligned with provincial or federal homelessness initiatives. To support the HHAP implementation, the Nanaimo Systems Planning Organization Society (SPO) was established as an arms-length organization responsible for system planning, coordination, research, and reporting. The City committed approximately \$480,000 annually over five years to support the SPO, which reported to Council through quarterly progress updates.

Following the establishment of the SPO, the homelessness response landscape evolved with changes to provincial and federal programs and funding approaches, including the introduction of the Alignment Project,

which established a standardized governance and system-planning model for designated communities such as Nanaimo. During this period, community needs and system structures also continued to change. In this context, Council passed a motion at a Regular Council Meeting on 2025-NOV-03 to discontinue funding for the SPO effective 2026-JAN-01, and to dissolve the society. By that time, the City had provided direct funding totaling \$1.4 million to the SPO.

Following dissolution, the City did not receive substantive work products or operational files from the SPO. Materials transferred consisted only of financial and human resources records provided in physical form. No research, reports, work plans, evaluations, digital files, databases, or equipment were transferred, limiting Staff's ability to assess the scope or effectiveness of SPO activities beyond information previously reported to Council.

At the Special Finance and Audit Committee meeting on 2025-NOV-28, Council reallocated \$282,742 of remaining City-allocated 2026 SPO funds to support one temporary Social Planning position within the Social Development team until 2028-JAN-15 to maintain continuity in system coordination and HHAP implementation while longer term governance and resource arrangements were clarified. \$188,995 in City-allocated SPO funds remains uncommitted.

In addition, the City anticipates approximately \$490,000 in further funds will be returned from the dissolved SPO. However, the final amount remains subject to confirmation. Staff identified that the SPO continues to pay lease costs on behalf of another non-profit organization that was intended to assume the lease in exchange for office furniture and computer equipment. Staff are currently working to determine whether these funds can be repaid to the City. The final repayment amount will be confirmed once outstanding lease costs and related bookkeeping adjustments are finalized.

At the Special Finance and Audit Committee Meeting on 2025-NOV-28, Staff committed to returning to Council in Spring 2026 with a status update on the progress towards the HHAP and to get direction on how to allocate any remaining SPO funds. This report fulfills that commitment.]

DISCUSSION

Progress Overview

Since its adoption in 2021, the HHAP, alongside *City Plan* (2022), has provided the City's framework for coordinating responses to homelessness, housing instability, health, safety, and poverty reduction. Implementation has shifted from plan development toward active system coordination and service delivery, with foundational elements now in place. While progress has been made across all six HHAP priority pillars, key gaps remain related to funding stability, operator capacity, senior-government alignment, non-market housing availability, equity, and data transparency.

This progress update focuses on HHAP implementation between 2021 and 2025 and reflects Staff's best knowledge based on day-to-day work, involvement in the Alignment Project, and input from community partners. While earlier health and housing initiatives may be referenced for context, progress is measured within

this timeframe and should be considered a comprehensive but conservative scan, as some community programs indirectly supporting HHAP outcomes may not be captured.

Attachment B provides a further detailed summary of HHAP progress to date.

System Coordination

System coordination is a foundational pillar of the HHAP. It reflects the understanding that homelessness is not the responsibility of a single government, program or organization. Addressing homelessness effectively requires coordinated leadership, clear roles, shared accountability, and improved use of data and funding across municipal, provincial, federal, Indigenous, and community partners.

Evolution of the Governance Model

When the HHAP was adopted, Nanaimo did not yet have a provincially or federally integrated governance structure to coordinate homelessness responses. To address this gap, a SPO was established to support early coordination, governance development, service alignment, and implementation planning.

Since that time, provincial and federal policy and funding changes, particularly through *Belonging in BC*, the *Integrated Support Framework*, and *Reaching Home*, led to the creation of the Alignment Project. The Alignment Project provides the endorsed governance framework now required for designated communities receiving both BC Housing and Reaching Home funding, with key SPO functions absorbed into this framework.

This represents a shift from a locally established coordination model to a more standardized, provincially and federally aligned governance structure.

Current Governance Structure

System coordination for the HHAP will be delivered through the Alignment Project, with the Homelessness Response Leadership Table (HRLT) providing overall leadership and direction. The HRLT brings together senior partners to support coordinated decision-making, align priorities, and address system-level barriers.

The HRLT integrates responsibilities that were previously spread across multiple groups, including:

- System planning and reporting related to Reaching Home
- Oversight of coordinated access and shared data systems
- Strategic oversight of homelessness response initiatives, including HEART and HEARTH
- Alignment of local priorities with provincial and federal policy direction

Supporting the HRLT are several connected tables and working groups that focus on implementation and day-to-day coordination. These include groups that:

- Identify and address system barriers

- Coordinate access to housing and supports
- Match people to available housing
- Improve outreach and responses to encampments
- Strengthen information-sharing and data quality

Other working groups are added as needed, for example, the Hub Relocation working group.

A local backbone team consisting of staff from BC Housing, United Way BC, Housing, Infrastructure and Communities Canada, Snuneymuxw First Nation (SFN), City of Nanaimo, Mid Island Metis, and Tilicum Lelum support this structure by coordinating meetings, sharing information, and ensuring work is aligned across partners. This approach allows issues to be addressed at the appropriate level, from frontline coordination to broader system improvements, while maintaining clear accountability.

Indigenous Partnership

Indigenous partners are intentionally included throughout the governance structure. This includes participation by First Nation governments, Métis organizations, and Indigenous service providers. Their involvement helps ensure that decision-making reflects Indigenous perspectives and responds to the over-representation of Indigenous people among those experiencing homelessness.

Although work is ongoing, this approach is intended to support cultural safety and advance reconciliation commitments set out in the Alignment Project, HHAP and *City Plan*. Work to strengthen Indigenous data governance within this structure is underway, though not yet fully implemented.

Role of the City of Nanaimo

Council's direction to temporarily enhance Social Development Staff capacity has enabled the City to meaningfully participate in the Alignment Project and the HRLT. City Staff contribute local knowledge related to housing supply, neighbourhood conditions, prevention initiatives, and municipal services, and support coordination across the system.

While BC Housing and United Way BC play critical roles as provincial and federal partners, they do not provide place-based municipal services. City Staff, working alongside SFN, on the local backbone team and the HRLT ensure that local conditions, priorities, and service realities are accurately identified and reflected in system-level decisions.

With the establishment of the Alignment Project and the HRLT, Nanaimo's core homelessness governance structure is now in place. Roles, responsibilities, and accountability are being finalized through drafted terms of reference. The HHAP priorities have been formally included in the HRLT terms of reference as the HRLT's shared aims and community level outcomes. Over the coming months the focus will shift from setting up governance to implementing coordinated system functions, including improved access to services, increased use of shared data, and strengthened coordination across housing, health, outreach, and prevention.

Diverse Housing Options

Expanding diverse housing options is a priority of the HHAP and it recognizes that people experiencing or at risk of homelessness have varying levels of need that require a range of housing responses. Since 2017, Nanaimo has added more than 100 permanent supportive housing units and over 200 temporary supportive and transitional housing units, providing an important foundation for progress under HHAP.

Since the adoption of the HHAP in 2021, actions under this pillar have focused on advancing permanent supportive housing, temporary and transitional housing through HEARTH, and emerging complex-care housing models through partnerships with BC Housing, Island Health and non-profit housing providers.

Progress on HHAP Housing Targets

The HHAP established targets to guide the development of both permanent and temporary housing options. Progress toward these targets includes the following:

Permanent Supportive Housing (Target: 90 units)

- 22 complex-care housing units to be delivered at 1850 Boxwood Road
- 60 supportive housing units planned at McKenzie Avenue

*Projects in development and/or operating between 2021 and 2025 from 2019 MOU with BC Housing:

- 285 Prideaux Street - 51 units
- 702 Nicol Street - 59 units
- 355 Nicol Street - 35 units (coming soon)

Temporary and Transitional Housing (Target: 70 units)

- 12 Temporary Housing Units on SFN Reserve Lands
- 6 Scattered Housing Sites on SFN Reserve Lands
- 59 units at 1030 Old Victoria Road (HEARTH)
- 50 units at 1300 Island Highway (HEARTH)

Affordable Housing (Target: 20 units)

- Several housing projects identified following the implementation of HHAP are now on hold due to reductions to BC Housing's Community Housing Fund.

*Projects in development and/or operating between 2021 and 2025 from community partnerships and 2019 MOU with BC Housing:

- 6010 Hammond Bay Road – 53 units
- 1125 Seafeld Crescent (Phase One) – 62 units
- 2345 Kenworth Road – 40 units

- 1125 Seafield Crescent (Phase Two) – 62 units
- 1435 Cranberry Avenue – 42 units (coming soon)

These housing options are intended to respond to differing levels of acuity across the homelessness system, from individuals requiring complex health supports to those needing short-term or transitional housing while longer-term options are secured.

While progress has been made, demand for deeply affordable, supportive, and complex-care housing continues to exceed available supply.

Municipal Role and Affordable Housing Strategy Implementation

The City's role in delivering diverse housing options is primarily an enabling one. While the City does not typically fund or operate non-market housing at scale, it supports projects led by senior governments and non-profit housing providers through policy and regulatory tools, land-use approvals, and targeted municipal land and financial contributions to help leverage senior-government funding or close project gaps.

Although the Nanaimo Affordable Housing Strategy (AHS) was endorsed in 2018, the HHAP identifies completion of the AHS as a priority under the Diverse Housing Options pillar. Since the adoption of the HHAP, significant AHS actions have been implemented, strengthening the City's ability to support housing delivery, reduce regulatory barriers, and advance partnerships.

As part of ongoing monitoring and legislation, Staff will also provide Council with the annual Housing Target Order update at the Regular Council Meeting on 2026-JUL-20.

Leadership and Engagement

Leadership and engagement is a strong area of progress under the HHAP that will be primarily addressed through the Alignment Project. The HHAP priorities are embedded within the governance terms of reference, working group mandates, and reporting processes, ensuring alignment between local action and provincial and federal programs.

A core commitment under the HHAP is reconciliation and Indigenous leadership, which sets a goal that at least 51% of members across governance tables be Indigenous or from Indigenous-led organizations, this goal has been formally adopted within the HRLT governance structure. SFN is recognized as a leader within the governance structure, helping guide priorities and decision-making based on Indigenous perspectives and community needs.

In addition to governance leadership, the City has worked directly with SFN to support culturally appropriate housing and homelessness responses on reserve. Through City facilitation of provincial funding under the Strengthening Communities Services Program in 2021 and 2022, the City and SFN delivered 12 temporary housing units, six scattered-site housing units, an Indigenous-led homelessness outreach team, and cultural safety training for the City's Community Safety Officers. These initiatives were coordinated and administered by

the City, and without this facilitation role, the funding would not have been available to support this work. City Staff also attend meetings with SFN and BC Housing to help advance housing for First Nations.

Leadership and engagement have also been strengthened through the formal inclusion of people with lived and living experience of homelessness, whose input through advisory and engagement tables helps inform priorities, system improvements, and accountability. Overall, the Alignment Project has established an inclusive leadership structure that supports collaboration, shared responsibility, and informed decision-making, providing a strong foundation for advancing HHAP priorities.

Prevention

Prevention has become an increasingly important focus of the HHAP. The goal of prevention is to help people remain housed and avoid homelessness before a crisis occurs, recognizing that early intervention is more effective and less costly than emergency response.

Under HHAP, the City has supported prevention-focused system improvements through advocacy and active participation in the Alignment Project, including efforts to advance coordinated access and shared data systems led by senior governments. The City's role has focused on supporting local implementation, improving coordination, and advocating for approaches that better identify housing risks early and strengthen local responses.

The City has also implemented other practical, front-end supports that stabilize housing including a rent supplement program, support for the Nanaimo Region Rent Bank, and other eviction-prevention measures such as the Rental Tenant Relocation Assistance Project, which supports tenants displaced by redevelopment or major renovations.

In 2025, the City funded 213 rent supplements, supporting 324 individuals and families to remain housed in the private rental market. During the same period, 96 rent bank loans were issued, assisting 272 individuals and families to manage short-term financial challenges and maintain housing.

Prevention efforts have also strengthened through improved coordination across City departments. Social Development and Emergency Management work together to support residents facing housing loss due to emergencies such as fires. This approach was demonstrated during the Value Lodge Motel tenant relocation, where approximately 45 residents were displaced. City staff coordinated extended stabilization supports and worked with provincial ministries, Indigenous partners, and community organizations to prevent residents from becoming homeless.

Additional City-led prevention measures support longer-term health and stability goals identified in the HHAP. Through the 2026 Social Development Grant Program, the City funded the Nanaimo Brain Injury Society to deliver concussion-prevention workshops in schools, recognizing the link between brain injury and housing instability. The Nanaimo Youth Resilience Strategy also supports youth at risk, with the City distributing Building Safer Communities federal funding to food security, housing and service navigation, health initiatives, and social

services. The 2025 Point-in-Time Count identified 54 youth experiencing homelessness, reinforcing the importance of early intervention and prevention supports for young people.

Collectively, these City-implemented prevention measures represent some of the highest-impact and most cost-effective investments under the HHAP. By helping people remain housed and stable, prevention reduces pressure on emergency services, shelters, and downstream systems, while supporting better outcomes for individuals, families, and the broader community.

Complex Needs Capability

The community continues to strengthen how it supports people with complex needs through a range of coordinated services and programs. These efforts focus on individuals facing multiple, overlapping challenges, including homelessness, poor health, mental health or substance use issues, and safety concerns.

Nanaimo Acute Response Table

A key component of this work is the Nanaimo Acute Response Table (N-ART). Hosted by the City, N-ART brings together more than 25 organizations, including housing providers, health services, police, and provincial ministries. Its purpose is to connect individuals facing serious and immediate risks to appropriate supports as quickly as possible, typically within 24 to 48 hours, helping address situations where services might otherwise be fragmented or slow to respond.

The Hub

Another important element of the HHAP's approach to complex needs was the Hub, which served as the Navigation Centre identified in the HHAP. The Hub provided a centralized, low-barrier location where people with complex needs could access housing, health, and social supports in one place. During its short period of operation, the Hub helped 54 individuals with very high needs move into housing. The closure of the Hub has created a gap, particularly for people requiring ongoing navigation across multiple systems, highlighting the need for stable and sustained access to navigation services.

Encampment and Extreme Weather Response

Additional supports include the City's participation in BC Housing's HEART and HEARTH programs, including coordinated responses to encampments. Where gaps remain, the City's Social Development team continues to provide coordination and support, including facilitating meal services when indoor meal spaces and shelter beds are limited. The team also works interdepartmentally with Emergency Management and Recreation & Culture to support people during extreme cold and heat events through transportation, supplies, information, and access to indoor warming or cooling spaces.

Health Services

Health services for people with complex needs are also expanding. Island Health has introduced a new team focused on addiction medicine and substance use in Nanaimo. Services will include medical treatment, withdrawal support, and care for people with co-occurring physical and mental health needs. These services will

be delivered from the new Wellness and Recovery Centre at 250 Albert Street, which will also include a Rapid Access Addiction Clinic and a wound care clinic, and will serve as the operations base for Substance Use Services Outreach and Primary Care Outreach teams. These services will operate alongside existing Island Health outreach programs, including the Community Outreach Response Team and Perinatal Outreach Teams. The centre is expected to open in summer 2026.

Community Policing Program

The City also supports people with complex needs through the Community Policing Program, delivered in partnership with the Nanaimo RCMP. While this program existed prior to HHAP, the City has since leveraged provincial grant funding to expand the program, including the addition of a second patrol vehicle, increasing outreach, visibility, and safety in areas most impacted by homelessness and social disorder.

Community Safety Officers

In parallel, the City has created and expanded the Community Safety Officer (CSO) program from 12 to 22 officers and leveraged federal funding to strengthen overdose response and community support. This included the purchase of three new trucks equipped with medical equipment, allowing CSOs to provide life-saving assistance while awaiting emergency health responders. CSOs also participate directly in the N-ART and BC Housing vacancy-matching tables, supporting coordinated housing placement and service connection for individuals with complex needs.

Together, these investments have enhanced the City's complex-needs response capacity and supported safer outcomes for individuals and the broader community.

Poverty Reduction

The HHAP recognizes the strong connection between homelessness and poverty. While income supports and poverty-reduction policies largely fall within senior-government responsibilities, the City plays an important role in supporting poverty reduction through a range of local programs, partnerships, and advocacy efforts.

Examples of this work include the City's Leisure Economic Access Pass (LEAP) program, which allows low-income households to access leisure and recreation opportunities that support physical, social, and emotional well-being. The City has also provided direct funding support to Loaves and Fishes to operate a warehouse that improves food distribution for low- and moderate-income households across the community.

In addition, the City provides ongoing funding to the Nanaimo Prosperity Corporation to support local economic development and employment opportunities, recognizing the role of stable income and economic participation in preventing housing insecurity.

Recent regional efforts supporting poverty reduction also include free transit rides for youth, implemented by the Regional District of Nanaimo beginning in the summer of 2026, helping reduce transportation barriers for young people accessing education, employment, and services.

Council also continues to advocate for strengthened health care, housing, public safety, and homelessness supports to meet the needs of a growing community and to support Nanaimo as a healthy and thriving place to live.

Health and Housing Investments Supporting HHAP Priorities

Progress under the HHAP has been supported by substantial investments from all orders of government since its adoption in 2021, funding both capital projects and program-level initiatives that advance HHAP priorities and respond to growing housing and homelessness pressures.

Table 1 summarizes housing and homelessness-related investment in Nanaimo between 2021 and 2025. This includes funding provided directly by the City, as well as provincial and federal funding that supported local initiatives. The table includes provincial and federal grant funding administered by the City, such as the Strengthening Communities Services Program, Building Safer Communities funding, and revenues from the Online Accommodation Platform (OAP) fund, along with investments delivered by BC Housing and the Reaching Home program, which are not administered by the City. The table reflects both capital investment and program funding but does not include program funding provided by other government ministries or agencies as part of their ongoing operations, contributions from nonprofit community partners, or indirect costs associated with policing, fire, or other emergency responses.

Table 1 – Health and Housing Investments Supporting HHAP Priorities (2021 - 2025)

Funding Source	Capital Investment (Housing & Infrastructure)	Program Investment (Health & Housing Services)	Total
City of Nanaimo ¹	3,294,329 ²	6,503,663	\$9,797,992
Reaching Home (Designated City of Nanaimo Funding - (Federal Government) <i>*April 1, 2021, to March 31, 2025</i>	0	7,614,776	\$7,614,776
Development Cost Charges (DCC) Waivers and Reductions	921,956	NA	\$921,956
Online Accommodation Platform (OAP) Fund	750,000	599,000	\$1,349,000
Other Federal and Provincial Grants ³	261,039	4,011,809	\$4,272,848
BC Housing (Province of BC) <i>*April 1, 2021, to March 31, 2025</i>	<i>(Information unavailable at publication; updates to be provided on addendum)</i>	<i>(Information unavailable at publication; updates to be provided on addendum)</i>	<i>(Information unavailable at publication; updates to be provided on addendum)</i>
Total	\$5,227,324	\$18,729,248	\$23,956,572

**Totals subject to change with addendum updates.*

Attachment C provides a detailed summary of City-funded health and housing initiatives, as well as provincial and federal grants including OAP funds administered by the City in support of HHAP priorities.

Current Gaps and Constraints

While meaningful progress has been made across all HHAP pillars, several persistent and emerging constraints continue to limit overall systems outcomes.

¹ Annual allocations to the Housing Legacy Reserve are not included as City investments in this table, as the reserve serves as a funding source for future health and housing initiatives.

² City totals exclude long-term lease agreements with BC Housing for 285 Prideaux Street, 1425 Cranberry Avenue and 354 Haliburton, which are not direct costs but limit future revenue opportunities.

³ Figures exclude emergency-response funding administered by the City for the Province's Ministry of Emergency Management and Climate Readiness.

Funding Stability

Funding stability remains the most significant challenge. Many core initiatives, including the Hub, HEART, and HEARTH, rely on short-term or time-limited funding. While this has enabled progress, it also creates uncertainty, limits long-term planning, and increases the risk of service disruption when funding ends.

Recent provincial funding changes have intensified these pressures. Capital funding for some projects planned under BC Housing's Community Housing Fund has been reduced or deferred. The supported rent supplement program combining private-market assistance with supports has been discontinued, and emergency assistance through the Ministry of Social Development and Poverty Reduction is now limited to once per year.

Funding stability is also a concern for the City. Funding for temporary staffing enhancements within the Social Development team are time limited, which affects the City's ability to sustain participation in key system planning tables, including the HRLT and local backbone coordination long term. These roles are important, as most other system-planning partners on the local backbone team, aside from SFN, are provincial organizations and do not represent local municipal interests. System-coordination work requires approximately eight hours per week of Staff time, excluding preparation and required follow up work.

Operator and Workforce Capacity

Non-profit, Indigenous, and service-delivery partners are operating at or near capacity. This affects housing delivery, service quality, data collection, staff retention, and the ability to expand or sustain programs. Reliance on short-term and seasonal funding often results in staff layoffs, leading to a loss of experience, continuity, and relationship-based knowledge.

Provincial and Federal Alignment

Coordination with provincial and federal partners continues to improve through the Alignment Project; however, many HHAP actions depend on decisions outside municipal control. These include capital funding approvals, health and mental-health investments, income supports, and program eligibility rules across multiple ministries and departments. Staffing reductions at senior-government levels have also contributed to more siloed responses in certain areas.

Non-Market Housing Supply

The delivery of non-market and complex-care housing continues to be constrained by limited availability of serviced land and lengthy project timelines. These timelines are often extended by the need to assemble multiple funding sources, including government grants, subsidized loans, land contributions, cross-subsidies, and community donations. Several permanent supportive housing projects have experienced funding delays or deferrals, reinforcing the structural limits on the pace at which new housing supply can be delivered.

Data, Transparency, and Outcome Tracking

There are ongoing gaps in data access and public reporting. While information will be collected through shared systems and local tracking using HIFIS, there is currently no publicly accessible, near real-time reporting on homelessness, housing outcomes, or overall system performance. These systems are administered by senior governments. While agreements are in place to support local data sharing, this structure limits the City's ability to directly access and report on data in a timely and transparent manner.

Equity and Disproportionate Impacts on Indigenous Peoples

Ongoing data, including the 2024 Homeless Point-in-Time Count Homelessness Survey (PIT) and the City's Housing Needs Assessment, shows a persistent over-representation of Indigenous peoples among those experiencing homelessness. While Indigenous peoples make up approximately 8.2% of Nanaimo's population, more than one-third of individuals experiencing homelessness identify as First Nations, Métis, or Inuit in the PIT count. Many also report histories of foster care involvement and intergenerational trauma linked to residential schools and child welfare systems, reflecting the continued impacts of colonialism and systemic inequities on housing stability and health outcomes.

Funding Context and Options to Address HHAP Gaps and Constraints

Considering the progress under the HHAP and the gaps and pressures that remain, Council is asked to consider how available funding could be allocated to stabilize existing services, strengthen prevention and response efforts, and address priority gaps identified through the HHAP implementation.

In addition to ongoing annual OAP funding and regular contributions to the Housing Legacy Reserve Fund to support affordable housing initiatives, the City has access to two sources of one-time funding that could be used to address priority gaps:

1. *Remaining Systems Planning Organization (SPO) Funds*
\$188,995 in City allocated SPO funds remains available, in addition to the approximately \$490,000 in SPO funding to be returned to the City.
2. *Municipal Homelessness Funding from the Special Initiative Reserve*
The City has also set aside funds within the Special Initiative Reserve to support homelessness-related programs and initiatives. The current available balance for homelessness initiatives within the Special Initiative Reserve is \$375,000.

Together, these funding sources represent approximately \$1,053,995 that could be directed toward addressing current HHAP priorities, subject to Council direction. These funds are limited and intended for one time or time-limited use. Council direction on how to allocate these funds will shape the City's ability to address immediate pressures while supporting longer-term system improvements.

The following options are provided for Council's consideration and reflect different strategic approaches to addressing the identified gaps, including focusing on complex needs, strengthening prevention, supporting non-

market housing supply, advancing system priorities through the Alignment Project or maintaining local system coordination capacity. Each option addresses different aspects of the system and may have varying levels of impact depending on Council priorities. The options may be combined or phased.

Attachment D offers a quick-reference summary of the funding options, the gaps and constraints they address, and potential programs and initiatives.

Option A — Enhance Complex Needs Capability

This option focuses on supporting individuals with the highest and most complex needs.

Possible investments include:

- Capital support to re-establish a Hub or Navigation Centre, including purchase or renovation costs, providing centralized access to housing, health, meals, and support services.
- Seasonal warming services during winter months if a permanent Hub is not feasible in the short term.

When operational, the Hub acted as the Navigation Centre identified in HHAP and demonstrated strong outcomes:

- 54 individuals with very complex needs were housed, many of whom did not typically access services.
- An average of 82 unique individuals accessed daytime services daily, increasing to approximately 130–140 individuals per day during inclement weather.
- Nearly 400 unique individuals accessed overnight shelter services.

Option B — Enhance Prevention Initiatives

This option focuses on preventing homelessness before crisis occurs.

Potential investments include:

- Additional rent supplements, rent bank or housing stabilization supports, in response to provincial cuts to the supported rent supplement program and limits on crisis assistance. Additional funding could be allocated to the City's Rent Supplement programs or the Nanaimo Region Rent Bank.
- Expanded prevention supports for youth, building on the Nanaimo Youth Resilience Strategy as federal funding concludes, and responding to findings from the Housing Needs Report and 2025 Point-in-Time Count identifying youth as a vulnerable and growing group.
- Additional funding for Social Development Grants to support organizations addressing poverty, housing stability, social inclusion, and equity. Annual funding has remained at \$85,000 since 2017, while demand continues to exceed available resources. Remaining funds could be used as a time-limited top-up (one-time or multi-year).
- Support for poverty-reduction initiatives, specifically a food-security systems strategy, aligned with City Plan and the Integrated Action Plan with a focus on vulnerable populations:
 - Create a working group focused on emergency food response and distribution (IAP C3.4.9).
 - Conduct a food security needs assessment for emergencies (IAP C3.4.10).

Option C — Capital or Site Readiness Supports for Non-market Housing

This option focuses on unlocking or accelerating housing projects.

Possible investments include:

- Capital contributions to support City and BC Housing partnership projects that are over budget or delayed, including the City's existing commitment towards the works and services required at 1030 Old Victoria Road (estimated City's portion is between \$1,000,000 to \$1,500,000, to be determined by final design. A funding source for this cost has not yet been identified).
- Strategic contributions to projects previously considered under BC Housing's discontinued Community Housing Fund that require limited local funding to proceed.
- Rebuilding the Housing Legacy Reserve to support future non-market housing.
- Establishing a grant program to offset Development Cost Charges for non-profit housing providers that deliver non-market housing projects, helping to make these projects are viable.

Option D — Support Alignment Project Deliverables

This option supports priorities identified by the Alignment Project and HRLT.

Potential uses include:

- Funding small-scale pilot projects or identified gaps emerging from the Alignment Project and recommendations from the HRLT.
- Supporting the implementation of actions outlined in the upcoming Community Homelessness Response Plan, which the HRLT is preparing for submission to the federal government by 2026-MAY-30.

Option E — Systems Coordination Capacity

This option focuses on maintaining local capacity for coordination and planning.

Possible investments include:

- Extending temporary staffing capacity within the Social Development team beyond the current end date of 2028-JAN-15, supporting continuity, knowledge retention, relationship-building, and longer-term systems planning. This would be time limited staffing capacity based on the remaining available funds.
- Limited start-up or facilitation costs for specific system-planning initiatives or working groups, while avoiding duplication of provincially and federally led structures already in place.

Based on Council's discussion and direction, Staff would return with a subsequent report outlining more detailed cost estimates, implementation considerations, and anticipated outcomes for any options Council wishes to pursue further.

COMMUNICATION AND COMMUNITY ENGAGEMENT

There are no statutory notification requirements associated with this report, the progress of the HHAP, or the funding options presented.

The HHAP was developed through extensive community engagement, including input from Indigenous partners, people with lived and living experience, service providers, senior governments, and community organizations. This engagement shaped the priorities and actions in the HHAP.

ALIGNMENT WITH CITY PLAN

The report is aligned with the following City goals:

- A Healthy Nanaimo: Community Wellbeing and Livability
 - C3.1 Community Safety & Security
 - C3.2 Affordable Housing
 - C3.4 Food Security
- An Empowered Nanaimo: Reconciliation, Representation and Inclusion
 - C4.1 Truth & Reconciliation
 - C4.2 Equity and Inclusivity
- A Prosperous Nanaimo: Thriving and Resilient Economy
 - C5.2 Human, Social, & Environmental Capital

ALIGNMENT WITH COUNCIL'S STRATEGIC PRIORITIES

The report is aligned with the following Council Strategic Framework priorities:

- Implementing City Plan Action Plans and Key City Management Plans
- Social, Health and Public Safety Challenges

OPTIONS

1. That the Governance and Priorities Committee recommend that Council:
 1. Select the preferred option(s) outlined in the report titled "Health and Housing Action Plan: Progress Update and Funding Options", dated 2026-MAY-11, to address identified gaps and constraints in the Health and Housing Action Plan implementation, using available funds from the former Systems Planning Organization and the Special Initiative Reserve; and,
 2. Direct Staff to return to Council with a subsequent report providing detailed information for the selected option(s), including proposed initiatives, budget requirements, implementation considerations, timelines, and anticipated outcomes.
 - The advantages of this option: Gives flexibility for Council to focus on the most urgent gaps identified in the Health and Housing Action Plan. It allows decisions to be informed by clear cost estimates, and timelines expected before commitments are made, supporting transparency and accountability.

- The disadvantages of this option: Does not result in immediate program expansion, as Staff will require time to prepare detailed proposals for the selected options. In addition, available funding is limited and time-bound, meaning not all identified gaps can be fully addressed.
- Financial Implications: The recommended approach uses existing, non-recurring funding from remaining Systems Planning Organization funds and the Special Initiative Reserve. No new taxes or borrowing are proposed, and detailed financial impacts will be brought forward once Council selects preferred options.

2. That the Governance and Priorities Committee provide alternate direction. |

KEY MESSAGES

1. Meaningful progress has been made under the Health and Housing Action Plan, with core governance, coordination, prevention, and housing responses taking place; however, ongoing gaps remain related to funding stability, operator and workforce system capacity, non-market housing supply, and data and transparency outcomes.
2. The dissolution of the Systems Planning Organization and changing senior-government funding environments have created new opportunities and constraints, prompting Council's consideration of how remaining System Planning Organization funds and funds set aside in the Special Initiative Reserve can best address priority gaps under the Health and Housing Action Plan.
3. Council is being asked to provide direction on funding priorities, with options that focus on complex needs capability, prevention, nonmarket housing, alignment with provincial and federal initiatives, and system coordination, with Staff returning with further detail based on Council's identified priorities. |

ATTACHMENTS

ATTACHMENT A: Link to Health and Housing Action Plan

ATTACHMENT B: Health and Housing Action Plan Progress Summary Table

ATTACHMENT C: City of Nanaimo Health and Housing Related Investments 2021 to 2025

ATTACHMENT D: Health and Housing Action Plan Funding Options Summary Table |

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