

PERFORMANCE AUDIT OF CHRONIC HOMELESSNESS

ISSUE / QUESTION:

- What is the Government of Canada's response to the Auditor General of Canada's performance audit of Chronic Homelessness in Canada?
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SUGGESTED RESPONSE:

- **The Government of Canada welcomes the Report.**
- **Homelessness is a complex issue, and no single program can solve this issue on its own. To end chronic homelessness we need to work with all orders of Government, Indigenous partners, and community organizations across sectors including health, corrections, and child welfare to address the root causes of homelessness.**
- **To address the report's recommendations, the Government has doubled funding for Coordinated Access and offered new guidance. As of April 27, 2023, 43 communities have implemented this approach, and we are working with the remainder to have this in place as soon as possible.**
- **We have also implemented the Results Reporting On-line system referenced in the Report.**
- **Further, the Reaching Home program data referenced in the Report is now available, and we are using it to assess and report on the impact and results of our work.**

BACKGROUND:

The Office of the Auditor General of Canada's (OAG) Performance Audit of Chronic Homelessness in Canada

[Report 5—Chronic Homelessness](#) of the 2022 Reports of the Auditor General of Canada, was published on November 15, 2022.

OAG performance audits of Government services and programs are independent, objective and systematic assessments of the Government's management practices, controls, and reporting systems based on its own public administration policies and on best practices.

The audit work began in late 2021, and its scope includes the period of November 2017 through March 31, 2022. This audit examined efforts and progress made by Infrastructure Canada (INFC), Employment and Social Development Canada (ESDC)* and Canada Mortgage and Housing Corporation (CMHC) in reducing chronic homelessness in Canada by 50% by 2027-28.

This audit focused on:

1. Whether ESDC* and INFC prevented and reduced chronic homelessness through interventions that helped persons at risk of or experiencing homelessness obtain housing and supports needed to remain housed.
2. Whether CMHC contributed to the prevention and reduction of chronic homelessness by addressing the housing needs and improving housing outcomes for vulnerable Canadians.

*The scope of the audit shifted from ESDC to INFC after the Homelessness Policy Directorate transferred to INFC effective October 26, 2021.

This audit found that:

- INFC did not know whether chronic/homelessness increased/decreased;
- Collection and analysis of data on Reaching Home project results and use of pandemic funding was incomplete;
- CMHC did not know whether it was addressing housing needs of and improving housing outcomes for vulnerable Canadians;
- There was minimal federal accountability for reaching the National Housing Strategy (NHS) goal of reducing chronic homelessness by 50% by the 2027-28 fiscal year;
- Federal housing and homelessness initiatives were not well integrated.

As part of the NHS, Reaching Home launched in April 2019, and introduced a number of transformational adjustments. Specifically, the Program aims to streamline access to housing and supports for people who are experiencing homelessness or at risk of homelessness by coordinating local services to achieve community-wide outcomes using real-time data. In many cases, the COVID-19 pandemic delayed implementation as communities re-directed efforts to address the public health crisis that emerged.

The Auditor General recommended that the federal government:

- Collect/analyze data quickly, to report up-to-date results on chronic/homelessness, and determine how programs are addressing needs;
- Use data and analysis to make program adjustments where required;
- Assess impact of CMHC programs on vulnerable groups at all stages of NHS initiatives;
- Align and integrate efforts of INFC and CMHC to meet housing needs of priority vulnerable groups including people experiencing chronic homelessness;
- Engage central agencies to clarify accountability for the achievement of the chronic homelessness NHS target.

INFC and CMHC agree with these recommendations and note that COVID-19 significantly impacted communities' ability to collect and report data. In response:

- An approach has been implemented, introducing process and IT improvements to accelerate data processing, analysis and reporting. As a result of these changes, it is expected that the 2021 and 2022 national shelter estimates will follow in 2023;
- CMHC and INFC have co-developed a strategy to ensure that Reaching Home funding recipients are aware of other funding opportunities available under the National Housing Strategy;
- CMHC will further define and analyze the housing need of vulnerable populations, understand who is being assisted within its units, and measure how its programs are meeting these needs, by the end of 2023;
- CMHC and INFC will work with central agencies by December 31, 2023, to clarify accountability for the achievement of the chronic homelessness NHS target;
- Senior level committees have been established in 2022-23, formalizing collaboration across CMHC, INFC, Veterans Affairs Canada and other federal partners.

INFC and CMHC have developed detailed action plans that outline the concrete actions and their respective timelines that will be taken to address the OAG's recommendations, including the above listed activities.

Government commitments regarding chronic homelessness

- As part of the NHS, in 2018, the Government of Canada announced an investment of \$2.2 billion over 10 years to prevent and reduce homelessness and support a broader NHS objective of reducing chronic homelessness by 50% by 2027-28. On April 1, 2019, the Government of Canada launched Reaching Home: Canada's Homelessness Strategy.
- On September 23, 2020, the Speech from the Throne committed to building on the work of the NHS by focusing on "entirely eliminating chronic homelessness in Canada."
- Budget 2021 reiterated the Government's commitment to eliminate chronic homelessness in Canada.

- On November 23, 2021, the Speech from the Throne reiterated the Government's commitment to "working with its partners" to end chronic homelessness in Canada. Subsequently, your Mandate Letter, published on December 16, 2021, called for the appointment of a new Federal Housing Advocate to monitor progress in meeting goals including ending chronic homelessness.
- On April 7, 2022, the Budget announced:
 - An additional \$562.2 million over two years through Reaching Home beginning in 2024-25, to maintain the funding levels from 2023-24, aimed at objectives including continuing to make progress toward ending chronic homelessness;
 - \$18.1 million over three years, beginning in 2022-23, to conduct research about what further measures are required to support communities in eliminating chronic homelessness; and
 - A commitment to eliminating chronic homelessness in Canada by 2030.

Key statistics on chronic homelessness in Canada

- Across 55 communities that conducted a Point-in-Time count in 2018 and in 2020-22, there was a 12% increase in the number of people experiencing homelessness. This increase can be attributed to the impacts of the COVID-19 pandemic as well as improvements in the methodology. Compared to 2018, those enumerated in an unsheltered location doubled (a 100% increase), while those in sheltered locations increased by 3%, and the number of people in transitional housing decreased by 22%.
- The number of shelter users decreased from 129,017 in 2017 to 88,342 in 2020.
- The drop from 2019 to 2020 (from 118,759 to 88,342) is largely attributable to the pandemic and reduced shelter capacity due to social distancing. However, prior to the pandemic, from 2017 to 2019, there was also a downward trend in shelter use.
- Despite a decrease in shelter users, occupancy rates have remained high over the study period due to longer shelter stays. Shelter occupancy approached 94% in 2020.
- Among 88,342 emergency shelters users, about 27,700 experienced chronic homelessness.