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Terms and Conditions of the Homelessness Partnering Strategy

Terms and Conditions of the Homelessness Partnering Strategy (HPS) for 2014-2019 provide broad program parameters.

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Introduction

The Homelessness Partnering Strategy (HPS) is a unique community-based program aimed at preventing and reducing homelessness. It provides direct funding to communities across Canada to support their efforts in addressing local needs and specific homelessness priorities. Since its inception, the HPS has been encouraging communities to adopt a more mature approach to homelessness and has supported them in shifting away from emergency responses and focussing instead on longer-term solutions.

Despite many successes in addressing homelessness over the past decade, homelessness remains a persistent issue. It affects a diverse cross-section of the population, including individuals and families, and the communities in which they reside. In addition to its human cost, homelessness increases pressure on other public services, such as health and corrections services, which emphasizes the need for a well-focused and innovative strategy to effectively address the issue.

Evidence demonstrates that Housing First is an effective approach to reducing homelessness, and that it also often leads to a reduction in the use of other public services. The Housing First approach involves moving individuals who are chronically or episodically homeless from the streets or homeless shelters directly into permanent housing. Permanent housing is complemented by the provision of services to assist clients in sustaining their housing and working towards recovery and reintegration into the community. This is in contrast to the more traditional approach that involves resolving the personal issues that contributed to an individual's homelessness before moving that person into stable housing.

With the emergence of the Housing First approach as an effective way to address homelessness, the HPS is actively supporting communities through the implementation of this approach to reduce homelessness. This will be accomplished through a balanced approach that ensures that communities adopt Housing First as a cornerstone of their plan to address homelessness, yet retain some flexibility to invest in other proven approaches that complement Housing First and reduce homelessness at the local level.

The HPS also promotes data collection, partnerships, practical and applied research, and innovative initiatives to support evidence-based decision-making and to better target HPS investments for the greatest impact. This is accomplished by mobilizing partners at the federal, provincial/territorial, and community levels, and in the private and voluntary sectors, as well as other stakeholders, to address barriers to well-being faced by those who are homeless or at imminent risk of homelessness. All contributions under this program are non-repayable contributions.

These terms and conditions provide broad program parameters. They must be read in conjunction with the appropriate program directives and guidelines, as set by Employment and Social Development Canada (ESDC).

1.0 Authority

The HPS (Homelessness Partnering Strategy) is developed under the authority of the *Department of Human Resources and Skills Development Act*, which provides in subsection 5(1) that the powers, duties and functions of the Minister “extend to and include all matters relating to human resources and skills development in Canada or the social development of Canada

over which Parliament has jurisdiction and which are not by law assigned to any other Minister, department, board or agency of the Government of Canada."

Section 7 provides that "the Minister may, in exercising the powers and performing the duties and functions assigned by this Act, establish and implement programs designed to support projects or other activities that contribute to the development of the human resources of Canada and the skills of Canadians, or that contribute to the social development of Canada, and the Minister may make grants and contributions in support of the programs."

The HPS relates to the mandate of the Minister of Employment and Social Development.

In 2007, Cabinet authorized the development of the HPS.

2.0 Purpose, objective, outcomes and key performance measures

2.1 Purpose

The purpose of the HPS is to support Canada's communities, including 61 designated communities, as well as Aboriginal and rural and remote communities, in their efforts to prevent and reduce homelessness.

Through its community-based approach, the HPS supports the Government of Canada's goals of helping local communities to overcome their unique challenges as stated in the Speech from the Throne 2011. The HPS supports the Government of Canada's commitment to continue to work in

partnership with provinces and territories, communities, the private sector, and other stakeholders to prevent and reduce homelessness, focusing mainly on a Housing First approach, as stated in Budget 2013.

The HPS links the Department's overarching mission of supporting Canadians in making choices that help them live productive and rewarding lives, and improving Canadians' quality of life, as well as the following strategic outcome as stated in the Departmental Performance Measurement Framework and Program Activity Architecture: income security, access to opportunities and well-being for individuals, families and communities.

2.2 Objective(s)

The HPS aims to prevent and reduce homelessness across Canada.

2.3 Expected outcomes

The HPS has an evergreen Performance Measurement Strategy, which includes a series of outcomes that assists the program in meeting its objective of preventing and reducing homelessness in Canada. Progress toward meeting the program's objective is measured through a series of measures as set out in the Performance Measurement Strategy.

The expected outcomes of the HPS are:

- Integrated and comprehensive Housing First programs are developed;
- Community-level homelessness priorities are addressed;
- Partners are engaged to maximize and coordinate collective efforts;
and
- Understanding of homelessness is enhanced at the local and national level.

2.4 Key performance measures

Key performance measures are used to measure relevance, effectiveness and efficiency of programming, and to support progress monitoring, reporting by management and evaluation.

Key performance measures include:

- Decrease in the estimated number of shelter users who are chronically homeless;
- Decrease in the estimated number of shelter users who are episodically homeless;
- Decrease in length of shelter stay;
- Percentage of individuals placed in housing through a Housing First intervention who maintain housing; and
- Amount invested by external partners for every dollar invested by the HPS.

The key performance measures listed above are a sample of a more comprehensive set of indicators that have been developed. These indicators may be modified over time to ensure that they can adequately measure the program outcomes and successes.

3.0 Eligible recipients

3.1 Eligible recipients

Eligible recipients include:

- Individuals;
- Not-for-profit organizations;
- For-profit organizations;
- Municipalities;

- Aboriginal organizations;
- Public health and educational institutions; and
- Provincial and territorial governments and their entities, including institutions, agencies and Crown Corporations.

3.2 For-profit eligibility

For-profit organizations may be eligible for funding provided that the nature and intent of the activity is: non-commercial; not intended to generate profit; based on fair market value; in support of program priorities and objectives; and in line with the community plan (or with identified local need where community plans are not required).

3.3 Eligible communities

Designated communities

There are 61 communities that are eligible for Designated Communities funding.

The 10 communities identified as having the most significant problems with homelessness are: Vancouver, Calgary, Edmonton, Winnipeg, Toronto, Hamilton, Ottawa, Montreal, Québec City and Halifax.

A list of the 51 other communities, or a group of communities working jointly in a single geographic area, identified as having demonstrable problems with homelessness is attached (Annex A).

Activities in designated communities are not eligible for funding under the Rural and Remote Homelessness funding stream.

Rural and remote homelessness eligibility

Activities in non-designated communities are eligible for funding under the Rural and Remote Homelessness funding stream provided the project meets the funding stream requirements, as identified in the program directives and guidelines.

Aboriginal homelessness

Aboriginal Homelessness funding is used for projects delivered primarily by Aboriginal service providers across Canada to address the specific needs of the off-reserve homeless Aboriginal population. It includes activities that promote inclusion within the Aboriginal community and that are congruent with Aboriginal identity and practices to ensure services are integrated and culturally-appropriate. Activities in designated and rural and remote communities are eligible for funding under the Aboriginal Homelessness funding stream, provided the project meets the funding stream requirements, as identified in the program directives and guidelines.

4.0 Eligible activities

1. Activities designed to reduce homelessness, primarily through the Housing First approach as specified and to the extent determined by ESDC;
2. Activities designed to prevent individuals and families at imminent risk from becoming homeless;
3. Activities designed to understand, gather, analyze, and disseminate information about homelessness;
4. Activities that provide innovative solutions to homelessness;
5. Activities designed to plan, coordinate and integrate responses to homelessness; and
6. Other activities that support the objectives of the HPS.

A comprehensive list of eligible and non-eligible activities is included in the program directives and guidelines, as set out by ESDC.

5.0 Eligible expenditures

Eligible expenditures are those considered necessary to support the purpose of the funding.

Eligible expenditures include the following:

- Overhead costs, including costs related to central administrative functions of the recipient organization that are drawn upon to support agreement activities (such as postage, telephones, IT maintenance and head office support);
- Costs of materials and supplies;
- Wages and mandatory employment-related costs (MERCs);
- Staff training and professional development costs;
- Honoraria;
- Printing and communication costs;
- Professional fees, such as consultants, audit, technical expertise, facilitation, legal, and construction contractors;
- Participant costs;
- Capital costs:
 - Costs of the purchase of land;
 - Costs of the purchase of a building;
 - Costs of the construction/renovation of a building, including materials, supplies, and labour costs;
 - Other capital costs (e.g. vehicles, tools, equipment, machinery, computers, and furniture); and
- Other costs necessary to support the purpose of the funding, as approved by ESDC.

Specific requirements with regards to the eligible expenditure categories listed above, including for expenditures related to capital projects, are included in the program directives and guidelines, as set by ESDC.

Where the recipient further distributes contribution funding to a third party organization to carry out project activities, payments from the recipient to the third party to reimburse the latter for the above-listed types of expenditures incurred are also eligible expenditures. See Section 14.0 for more information on the redistribution of contributions.

6.0 Stacking limit

Where possible and appropriate, the costs of an eligible activity will be shared with the recipient and/or the government and/or the private sector. However, where the sharing of costs with the recipient and private sector is not feasible, total government funding (federal, provincial/territorial and municipal funding for the same eligible expenditures) must not exceed 100% of eligible expenditures.

7.0 Method of determining funding amount

An appropriate funding amount is determined through the proposal assessment process described in Section 10.

Funding amounts for grants and contributions are determined based on factors including:

- Scope and duration of activities;
- Validation of reasonableness and fair market value of proposed expenditures;
- Importance of projected expenditures to success;
- Reasonableness of overall cost given projected outcome(s); and

- Other sources of funding.

Proposed costs are assessed based on the Department's experience and analysis and changes are negotiated, where necessary, to ensure that the level of funding is the minimum necessary for attainment of the recipient's expected outcomes.

In some instances, program support for provincial or territorial recipients or their entities may be determined based on an allocation model, rather than through proposal assessment as described above.

Program support to the designated communities is based on an allocation model.

Program support to communities for Aboriginal homelessness and for Rural and Remote homelessness is based on an allocation model.

The ability of recipient communities to manage and expend budgets allocated will inform any need to redistribute resources within the HPS envelope in subsequent fiscal years.

8.0 Maximum amount payable

8.1 Maximum contribution funding

The maximum level of financial support approved per project or initiative will not exceed \$125M over five years. The maximum duration of funding under an agreement will not exceed five years.

8.2 Maximum grant funding

The maximum level of financial support approved per project or initiative will not exceed \$250,000 per year. The maximum duration of grant funding will not exceed five years.

9.0 Basis of payment

Payments to contribution recipients are made via regular instalments based on reimbursement of eligible expenditures or via advance payments based on a cash-flow forecast. Any unexpended funding remaining at the expiry of the funding agreement constitutes a debt due to the Crown.

Certain instalment payments and final payments are tied to the achievement of predetermined milestones as determined by ESDC, such as receipt of: results reports; methodology and/or final reports for research projects; and five-year community plans, annual progress report on community plans, and project recommendations.

In all cases, final payment follows receipt of the final accounting of eligible expenditures and the total amount of the contribution will not exceed eligible expenditures actually incurred or the portion of incurred expenditures eligible pursuant to the terms of the agreement.

For Community Entities, which are community bodies entrusted by the federal government through multi-year funding agreements of up to five years, payments may also be based on an organizational-specific flat percentage rate for project management and administrative costs—this is a negotiated percentage to a maximum of 15% of the HPS allocation.

10.0 Information required in application and criteria for assessment

Section 10 may, in some cases, not apply to provincial and territorial governments and their entities.

In addition to the requirements in 10.1 noted below, all designated communities with an allocation greater than \$200,000 and communities allocated over \$200,000 in Aboriginal Homelessness funding are required to develop a five-year comprehensive community plan, including a description of Housing First and non-Housing First activities and related key performance indicators with targets. They will also report annually on progress. The community plan, which is based on broad consultations with local stakeholders, describes their approach for addressing local homelessness, including priorities for funding and expected outcomes.

The planning process in designated communities also involves identifying other sources of funding available in the community to address local homelessness issues, i.e. the community contribution. This community contribution may include funding from other partners, such as provincial/territorial and municipal governments, donations from private foundations or corporations, charitable donations and in-kind services. The community contribution includes other sources of funding available to specific projects funded by the HPS. An estimate of all the funding sources making up the community contribution is required in the community plan. A minimum of \$1 must be identified for every dollar of the HPS allocation to the designated community. Communities that are unable to meet this requirement during the planning stage must provide a strategy for ensuring that the community contribution requirement is met during each year. All designated communities must report on the amount of community contribution received at the end of each year.

10.1 Information required in application

Applications will:

- Provide an estimate of expenditures to be incurred, and describe contributions from the applicant and other partners;
- State specific objectives, including milestones and/or outcomes to be achieved within the period covered by the agreement;
- Describe the activities to be undertaken;
- Provide sufficient information on the applicant to demonstrate eligibility, capacity and ability to undertake activities and attain objectives; and
- Declare amounts owing in default to the Government of Canada.

10.2 Criteria for assessment

Assessment is, at a minimum, based on:

- The degree to which proposed activities support program objectives to reduce and prevent homelessness and program priorities;
- The need for proposed activities;
- The qualifications and track record of the applicant;
- Demonstration of support required for success;
- Demonstration of sustainability or provision of an exit strategy (for service projects only);
- Completion of the Sustainability Checklist (for capital projects only); and
- Value for money.

10.3 Assessment to determine funding instrument

Financial assistance is provided to eligible recipients in the form of a grant or a contribution. Grants are only available for projects with a focus on research and knowledge development, which are less than \$250,000 do not include capital costs, and where the funding will not be redistributed to a third party.

Where grants may be an appropriate funding instrument, a separate assessment of successful proposals is conducted to determine whether a grant would be appropriate based on the criteria below.

Grants may be used to fund successful proposals:

- That are low-risk; and
- For which reports on expenditures are not required.

In general, grants will be used to support low-risk projects by recipients with a proven track record, such as a demonstrated ability of sound financial administration and good governance. A recipient's funding history with the Department will also be a consideration.

The level of risk is determined based on factors such as:

- Materiality;
- Complexity;
- Ability to forecast costs with precision;
- Recipient capacity to undertake activities and attain objectives;
- Alignment of recipient and program mandates and objectives; and
- Sensitivity of activity.

Higher-risk activities, or those for which progress and/or financial reporting is required, will always be funded through a contribution agreement.

11.0 Information required for financial and performance reporting

Grants

Grant recipients are required to submit information on results achieved where required for the performance measurement strategy and departmental reporting.

Contributions

Financial and performance reporting requirements are based on risk, as determined through the Department's Risk Assessment, Management and Mitigation strategy. The nature and frequency of reporting is specified in each contribution agreement. Recipients are required to submit progress reports that outline activities completed and demonstrate progress towards achievement of results, and financial reports that account for the use of funding and identify contributions from all sources towards eligible costs. All contribution recipients are required to submit final reports containing information on results achieved, as required for the Performance Management Strategy and departmental reporting.

Provincial and territorial recipients and their entities may in some instances have tailored reporting requirements, but in all cases will be required to account for the use of funding and to provide information on results achieved, as required for the Performance Management Strategy and departmental reporting.

12.0 Official languages act

The HPS is committed to respecting its obligations under the *Official Languages Act*.

Transfer payments to recipients other than provincial and territorial governments and their entities

To respect the obligations of the Government of Canada under Part IV and Part VII of the *Official Languages Act*, where it has been determined that:

- a. the target clientele eligible to participate in a project to be carried out by the recipient is composed of members of both official language communities, and
- b. the anticipated demand for project assistance by the target clientele in both official languages justifies the use of both official languages, the department requires the recipients, other than other orders of government, to:
 - i. make any announcements to the public concerning the project in both official languages;
 - ii. actively offer project-related services to members of the public in both official languages;
 - iii. make available in both official languages any documents or other information for the general public relating to the project;
 - iv. encourage members of both official language communities to participate in the project; and
 - v. provide its services, when appropriate, in such a manner as to accommodate the specific needs of both official language communities.

Transfer payments to provincial and territorial governments and their entities

To respect the obligations of the Government of Canada under Part VII of the *Official Languages Act*, where it has been determined that:

- a. the target clientele eligible to participate in a project to be carried out by the recipient is composed of members of both official language communities, and

- b. the anticipated demand for project assistance by the target clientele in both official languages justifies the use of both official languages, the department seeks a commitment from the recipients to:
- i. make any announcements to the public concerning the project in both official languages;
 - ii. actively offer project-related services to members of the public in both official languages;
 - iii. make available in both official languages any documents or other information for the general public relating to the project;
 - iv. encourage members of both official language communities to participate in the project; and
 - v. provide its services, when appropriate, in such a manner as to accommodate the specific needs of both official language communities.

13.0 Duration of terms and conditions

These Terms and Conditions will come into effect on April 1, 2014, and will expire on March 31, 2019.

In order to ensure a smooth transition for agreement holders from the current HPS, ending March 31, 2014, to the renewed HPS (2014–2019) refocused primarily on the Housing First approach, and to allow for the necessary close-out activities required to complete existing HPS projects, ESDC will work with current HPS agreement holders to renew or continue Grants and Contributions agreements under the renewed Terms and Conditions, where required. This will ensure existing activities are completed and clients continue to have ongoing access to services. Agreement extensions and/or renewals will be provided for a period of up to one year, and will be considered on a case-by-case basis.

14.0 Redistribution of contributions

In projects involving the further distribution of the contribution by the recipient to one or more persons or entities, the agreement will make clear that the recipient has independence in the choice of those persons or entities, with minimal guidance from ESDC, and will not be acting as the agent for the government in making the distributions.

15.0 Intellectual property

Intellectual property created by a recipient will remain the property of the recipient. Where it is to the advantage of Canadians, and not detrimental to the goals of the recipient, ESDC may negotiate the shared use of intellectual property developed by recipients or through a third party. The rights to use this material may include further use of data for research purposes and/or publishing the intellectual property on ESDC's web site or in printed documents and publications.

Annex A to the HPS terms and conditions

List of 51 other affected designated communities:

- **British Columbia / Yukon:** Kelowna, Kamloops, Nanaimo, Nelson, Prince George, Victoria, Whitehorse
- **Alberta / NWT / Nunavut:** Grande Prairie, Lethbridge, Medicine Hat, Red Deer, Wood Buffalo, Yellowknife, Iqaluit
- **Saskatchewan:** Prince Albert, Regina, Saskatoon
- **Manitoba:** Brandon, Thompson
- **Ontario:** Barrie, Belleville, Brantford, Dufferin, Guelph, Halton, Kingston, Kitchener, London, North Bay, Peel Region, Peterborough,

Region of Durham, Sault Ste. Marie, St. Catharines-Niagara, Sudbury,
Thunder Bay, Windsor, York Region

- **Quebec:** Drummondville, Gatineau, Saguenay, Sherbrooke, Trois-Rivières
- **New Brunswick:** Bathurst, Fredericton, Moncton, Saint John
- **Prince Edward Island:** Charlottetown, Summerside
- **Nova Scotia:** Sydney (Cape Breton)
- **Newfoundland and Labrador:** St. John's

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