



Home Horizon

Georgian Triangle Residential Services

150 St Paul Street Unit 203

Collingwood Ontario, L9Y 3P2



BRING THEM IN FROM THE COLD

Barbara Weider House

Campaign

Housing support and services for homeless youth

www.homehorizon.ca

Barbara Weider House Business Plan

December 22, 2016





Home Horizon Georgian Triangle Residential Services

Business Plan for the Construction of the Barbara Weider House

Purpose

The purpose of this Business Plan is to:

1. Set a course for Home Horizon's management to successfully operate and administer an expansion to our service.
2. Inform financing sources of an estimate of the capital and loan requirements being requested by Home Horizon, in addition to its history, its projected future, and how the requested funding would support expansion of services for homeless youth to help them achieve social stability and develop educational and vocational plans.

The Organization

Home Horizon Georgian Triangle Residential Services (hereafter Home Horizon) is a non-profit registered charitable corporation that provides transitional housing and counselling support to homeless individuals and families. Home Horizon was established in 2006 in response to a community need, identified by existing emergency shelter services, for longer term supportive housing for the homeless. Based on research on best practices, the service model adopted involved leasing apartment units in the Town of Collingwood in which clients (individuals and families) could be housed for up to 12 months while receiving counselling and social skills training. Currently, Home Horizon leases 6 x 3BR housing units in the community. Each unit is linked to a local Church which provides furnishings and the cleaning of units between clients. On average, these 6 units house 10 families and 22 clients. Each year, Home Horizon turns the units over 2-3 times assisting upwards of 44 clients with over 8000 hours of support, counselling and life skills. After leaving the Program, 95% of clients have transitioned to a permanent home and 87% are either in school or employed.

Proposed Service Expansion

In 2015 Home Horizon received a grant from the Ontario Trillium Fund (OTF) to establish a program for homeless youth. The OTC grant provided financial support to hire a fundraiser and a youth worker, as well as partial funding for start-up and rental of a facility for the youth program. A very tight rental market in Collingwood (vacancy rate $\leq 0.1\%$) and home owner resistance to rent for a youth program proved to be an insurmountable obstacle to rental, but provided impetus for the purchase of a residential facility which also offered both financial and service capacity advantages (increases capacity for the youth program, comprehensive service delivery under one roof, elimination of office rental charges).

The youth program is currently operated out of one of Home Horizon's leased units which limits its capacity, as well as reducing the capacity of the traditional program. The proposed construction of a new 6 bedroom residence will increase the capacity of the youth service to up to 10 beds and enable the inclusion of both males and females. The configuration of the residence would also provide the flexibility to use beds for the traditional program (for which there is a perennial wait list) in the unlikely event of a lull in the demand for youth services.

The Market

The Canadian Homelessness Research Network¹ defines homelessness as follows:

“Homelessness describes the situation of an individual or family without stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. It is the result of systemic or societal barriers, a lack of affordable and appropriate housing, the individual/household’s financial, mental, cognitive, behavioural or physical challenges, and/or racism and discrimination. Most people do not choose to be homeless, and the experience is generally negative, unpleasant, stressful and distressing.”

Homelessness is a serious problem in Canada. In a recent national report on the State of Homelessness in Canada² it was estimated that “at least 200,000 experience homelessness in a given year”; “as many as 50,000 Canadians may be ‘hidden homeless’ on any given night” and that “youth make up about 20% of the homeless population”.

A recent comprehensive review of the state of youth homelessness in the Collingwood area indicated that up to 50 youth are homeless at any one time in the Collingwood area and this number may not reflect the ‘hidden homeless’³. This estimate is supported by wait list data for the current Home Horizon housing program for youth.

Failure to address this glaring need for housing risks subjecting these unserved youth to long-term patterns of behaviour problems and unrealized potential, while adding more costly burdens to society now and in the future.

Market Segment

Apart from the limited housing support for youth currently provided by Home Horizon with the support of the OTF grant, there is no housing support for homeless youth in Collingwood. The Salvation Army offers youth 18 and over a 10 day maximum emergency hotel stay. The Housing Resource Centre will assist with finding and potentially subsidizing a rental unit, however in a market that has an almost zero vacancy rate, this can be a challenge. Furthermore, the best practice evidence indicates that some homeless youth are not ready for independent living.

Model of Service

Several studies have examined the characteristics of homeless youth. Summaries of this evidence^{4,5} indicate that Homeless youth are more likely to be male, to have conduct, substance abuse or mental

¹ Canadian Homelessness Research Network (2012). *The Canadian Definition of Homelessness*. Canadian Homelessness Research Network.

² Stephen Gaetz, Jesse Donaldson, Tim Richter, & Tanya Gulliver (2013): *The State of Homelessness in Canada 2013*. Toronto: Canadian Homelessness Research Network Press.

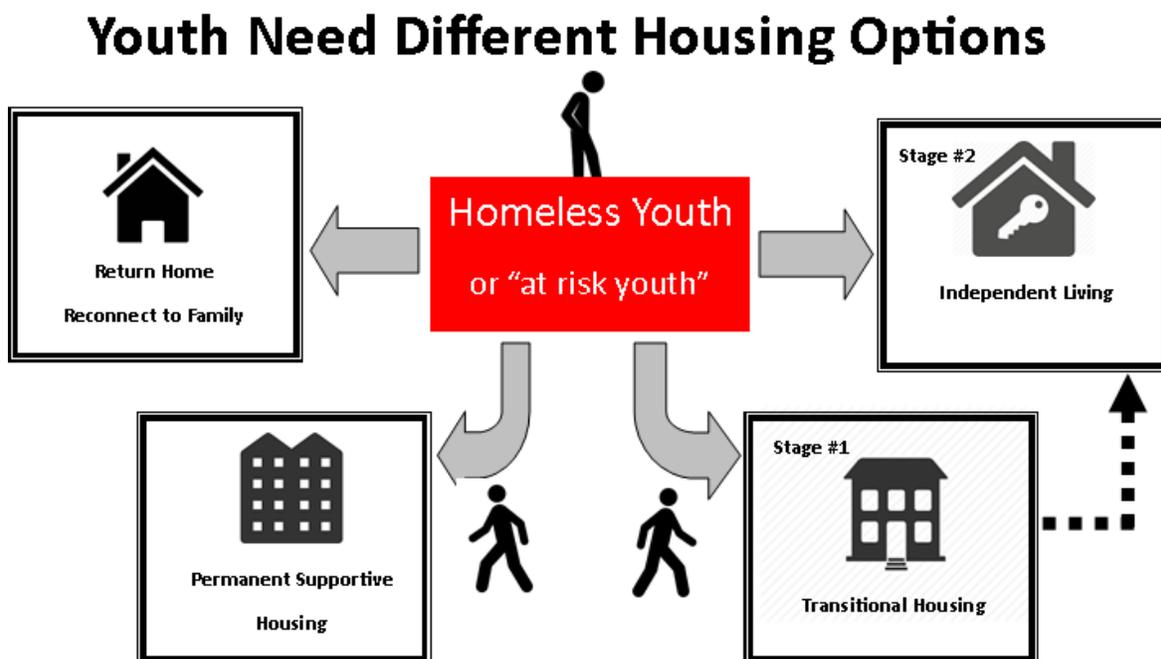
³ Cam Ecclestone and Linda Markowsky (2016). *Preventing Youth Homelessness in Collingwood: A proposal for Positive Change*. Unpublished power point presentation recommending supervised transition housing for homeless youth.

⁴ Gaetz, S. (2014). *Coming of Age: Reimagining the Response to Youth Homelessness in Canada*. Toronto: The Canadian Homelessness Research Network Press.

health problems, be victims of parental mistreatment or members of the LGBT or aboriginal communities. Attempts to create typologies of youth homelessness⁴ based on the nature of family relationships, the reasons for homelessness, experiences of abuse and neglect, the history of homelessness, the age group and mental health status, suggest that these are all dimensions of homelessness to be considered in tailoring the response to homeless youth. An effective service response must also take into account the social and emotional development of the youth as well as their readiness for independent living³.

There is a growing consensus that with adaptations, Housing First (HF) remains the conceptual and policy framework within which to position and fund services for homeless youth⁶. The adaptations to the HF approach for homeless youth reflect the reality of the varied needs of youth and their more frequent need for assistance in transitioning to adulthood and to independent living. The range of recommended services for homeless youth are illustrated in Figure 1 and illustrate how the Home Horizon Transitional Housing Model fits within a broad and comprehensive response to homeless youth. Within the group of options shown in the figure, Transitional Housing includes a Stage 1 component where youth reside collectively in a supervised residence and a Stage 2 component where the graduate to living in separate units with continued counselling support.

Figure 1.



Collaborative Partnerships

There are many pathways to homelessness for youth: unemployment, a breakdown in family relationships, behaviour problems, mental health issues, alienation, and substance use problems, to name a few. An effective response requires collaborative partnerships. At Home Horizon, we are committed to collaborating with the wide range of health and social services addressing the varied needs of youth to supplement and complement the supportive counselling and social skill training that is an important feature of the Home Horizon Youth Program. A partnership with the Canadian Mental

⁵ Toro, PA, Lesperance, TM, & Braciszewski, JM (2011), *The Heterogeneity of Homeless Youth in America; Examining Typologies*. Research Matters, The Homelessness Research Institute, National Alliance to End homelessness, Washington,DC.

⁶ Gaetz, Stephen. (2014). *A Safe and Decent Place to Live: Towards a Housing First Framework for Youth*.

Health Association, Simcoe Branch related to youth with mental health or substance abuse issues is currently under discussion.

Finances

Home Horizon has entered into an agreement with Ray Smith and Applevale Properties Ltd. for the purchase of land and the construction of a six bedroom (7 bed) residence at 53 Campbell St. Collingwood, to be known as Barbara Weider House.

Terms of the Purchase and Construction Agreement

On October 25, 2016 Home Horizon purchased the vacant lot at 53 Campbell St. Collingwood, Ontario from Applevale Properties Ltd. for the sum of \$250,000. This price included the cost of demolition of the house situated on the property as well. As part of the Agreement to Purchase, Applevale Properties agreed to construct the six bedroom residence, complete with kitchen, lounge, office and service delivery space, at cost. Additional terms of the agreement are as follows:

- The cost of the construction is fixed at a \$600,000 maximum and subject to reductions in equal amount for any in-kind donations in the form of discounts to materials, or pro bono services.
- Home Horizon made a down payment of \$50,000 at the time of purchase of the lot and has made the first payment of \$100,000 on the partial completion of the construction. They are committed to a further payment of \$100,000 when the residence is ready for occupancy (projected for May 1, 2017).
- Mr Ray Smith (of Applevale Properties Ltd) and his wife Winnifred have agreed to take back a 10-year fixed mortgage at 4.5% for the balance of the total cost of the project (maximum \$850,000 less \$250,000). Home Horizon is permitted to make interest only payments on the mortgage and has the right to reduce the principal on the mortgage at any time without penalty. Mr Ray Smith has made a donation of approximately \$4,500 to Home Horizon to offset interest payments applicable to interest owing on the balance of the land purchase from the time of the closing of the sale, to the point of occupancy of the residence.
- HST is applicable to the total cost of the land purchase and construction (maximum of \$850,000) and is ultimately the responsibility of Home Horizon. The total amount of HST to be paid is \$110,500 (maximum). As a registered charity organization, Home Horizon is eligible for a rebate of 50% of the GST portion and 82% of the PST portion of the HST, or a total rebate of 69.7%. The net HST cost to Home Horizon will be \$33,490 (maximum) and can be added to the mortgage if necessary.

Capital Campaign

A capital campaign has been initiated with a target of raising \$850,000. A lead donation of \$100,000 has been received, supplemented by pledges and donations of an additional \$57,000 from within the Home Horizon organization. Table 1 lists sources of capital funds and targets of the capital campaign.

Table 1: Sources of Capital Funds (including funds already received or pledged)

Source	Target	Comments
Benefactors – large gifts	\$ 300,000	
Large Donations \$5000-\$20000	\$ 150,000	
Other Donations up to \$4,999	\$150,000	
Donations in kind	\$ 60,000	See Table 3 for Summary
Trillium Grant	\$100,000	Grant proposal submitted
Service Clubs	\$50,000	
Fundraising for Project	\$40,000	
Total	\$850,000	

The sources of donations in-kind received to date are shown in Table 2. All but legal fees waived are applicable to the reduction of the total cost of the agreement and the mortgage.

Table 2: Current List of Donations In-Kind Applicable to the Project

Source	Description	Amount
Jason Cowan/Lawyer	Waived legal fees on sale closing	\$2,000
Chris Crozier and Associates	Pro Bono Construction Plans	\$20,000
Zubek Emo Patten and Thomsen Ltd	Pro Bono Land Survey	
Shouldice Designer Store	Discounts to materials and/or labour	
Collingwood Concrete Forming		
Hamilton Brothers Timbermart		
E.C. King Concrete		
Timberfield Truss		
Dashwood Windows		
Gorilla Gutter		
Thornbury Home Hardware	Paint	\$2,000
Chris Rasmussen	Painting	\$7,000
Mike Jamison/Georgian Design Centre	Flooring	\$6,000
TBA	Kitchen Appliances	\$5,000
Town of Collingwood (pending approval)	Waiving of Development Fees	\$20,000
Estimated Total		\$60,000

Capital Expenses

The estimated total cost of the land purchase and construction of the residence is \$790,000 based on the maximum total cost of \$850,000, less \$60,000 in expected donations in kind. HST will add a net cost of 31,120 (after 69.7% rebate) for a total of \$821,120.

The cost of furnishings is not included in the construction agreement, but will not add to the overall project costs. Collingwood Collegiate High School's Shop class will be building the beds, and bedding is expected to be donated. Existing office furniture supplemented by furniture recently donated by BDO Canada will be moved to furnish new office location. Home Horizon has a long history of furnishing housing units with donated furniture and will be able to acquire all additional furnishing via donations of new or used furniture.

Changes to Operating Expenses and Revenues

The opening of Barbara Weider House will involve new expenses and require additional revenues over Home Horizon's existing expenses and sources of revenues which are illustrated in the enclosed audited financial statements for 2015 (audited statements for 2013 and 2014 also available). These additional revenues and expenses are listed on an annualized basis in Table 3 with footnoted explanations where they are required. It is important to note that additional staffing is not required for this program expansion. Despite this, a grant proposal has been submitted for additional staff to extend the service to include an outreach component and expand the Stage 2 component of the transitional housing program for youth.

Table 3: Annualized New Revenues and Expenses For Barbara Weider House

New Revenue Sources	Amount
County of Simcoe ¹	\$25,000
Shelter Contributions ²	\$37,800
Vacancy Factor ³	(\$3,780)
Youth Kitchen Grant ⁴	\$6,500
Total Additional Revenue	\$65,520
New Expenses	Amount
Mortgage Interest ⁵	\$25,700
Property Tax	\$10,000
House Insurance	\$2,040
Utilities	\$6,000
Maintenance	\$6,000
Phone/Internet	\$3,000
Food	\$3,600
Office Expenses	\$2,400
Bedroom Supplies	\$1,200
Cleaning Supplies	\$600
Moving Expenses	\$2,000
Total New Expenses	\$62,540
Sustainable savings on office rent	\$8,000
Net Change in Revenue/Expenses	\$10,980

1 The County of Simcoe has confirmed additional revenue. Amount to be confirmed

2 Clients entering the program are eligible for shelter allowances (e.g., Ontario Works)

3 Expected vacancy rate of 10% reduction to shelter contributions.

4 Confirmed grant.

5 Based on net cost of 821,120 less \$250,000 down payment @ 4.5% interest only

6 Rent saved by moving office to new, owned facility

Making Barbara Weider House a Reality

With the plans for financing and governance outlined above, the method for addressing youth homelessness in the region is clear. Now the responsibility for making Barbara Weider house a reality falls on the generosity of the community and the collective will of individuals to create a better future for the local youth population. The obvious requirement is for those with the means to donate to the Barbara Weider House capital campaign to contribute. Monetary commitments will construct the physical structures to combat youth homelessness and provide life enhancing services, but this is only a fragment of what Barbara Weider house represents. By showing a commitment to support the strength and courage of homeless youth, the Collingwood area can show a broader commitment to social responsibility. This is undeniably a fitting legacy to commemorate Barbara Weiders charitable impact on our region! Those who can are now invited to step forward to stand up to youth homelessness, contribute to the Barbara Weider House capital campaign and “bring them in from the cold.”