Appendix C: Systems Change and Community Impact

Purpose

This appendix summarizes critical elements of systems change that are being realized through the Plan to End Chronic Homelessness (PECH) and the determined efforts of the Co-Creator community, Council, and staff alike. Ending chronic homelessness cannot occur without transformational change within the system itself. This summary will outline some ways in which systems change is occurring, where challenges remain, and how this both validates and informs current and future investment and resourcing priorities.

Context

Municipalities continue to shoulder the impact of an extraordinary rise in homelessness in Ontario. Despite increased attention from all levels of government, the rate of provincial homelessness increased by 25% between 2022 and 2024. More than half of the experiences of known homelessness were found to be chronic in nature, meaning individuals spent over six consecutive months homeless, or 18 months homeless over three years. The situation can be attributed to a "complex interplay of systemic and structural challenges" that while exacerbated by the pandemic, have amassed over decades (AMO, 2025).

The PECH states that historically our system has "undermined the community's ability to respond to homelessness and is not designed or adequately resourced to address the increase in numbers…or the increased complexity of needs that individuals [experiencing homelessness] have (LE Prototyping Cohort, 2024)." The scale of this crisis thus requires ongoing commitment, investment, and the progressive implementation of sophisticated, multi-faceted strategies created with the community. While it is likely to take time to remedy a crisis that has been decades in the making, the PECH is resolute that an all-of-community approach to systems change is the only way to successfully achieve and sustain functional zero homelessness. Transformational systems change seeks to address the root causes of homelessness by changing the structure, values, and relationships within our complex institution.

Signs of Growth

Feedback gathered from the Co-Creators in an evaluation exercise facilitated in August 2025 suggests that the community of 65 organizations and 120+ individuals remain deeply committed to the all-of-community systems change process. We have also sustained high levels of community engagement and participation at the Co-Creator and working table "Constellation" meetings, and to date, put into action 20 out of the 30 PECH deliverables as seen in Appendix B.

Improving Systems Equity

The PECH has prioritized service access and expansion for equity-owed groups to correct identified systemic imbalances and reach historically underserved or excluded communities. By redirecting resources using an equity lens, we are ensuring the system is more responsive to the needs of diverse communities. Some key expansion areas include the growth of women's services sector, the introduction of equity prioritized rent supplements, and a winter weather response plan:

1. There has been significant investment to support women and gender diverse individuals experiencing homelessness. Specifically, the expansion of four new shelter and transitional housing services provides support for up to 120 women and gender diverse households experiencing homelessness:
    a. The Coalition of Muslim Women Kitchener Waterloo now offers culturally grounded, trauma-informed care to racialized and newcomer women in a new transitional housing space with capacity for 28, including private rooms and two-family focused units.
    b. YWCA Cambridge has opened 20 shelter beds for women experiencing homelessness in Cambridge.
    c. Set to open and be operated by SHIP in Fall 2025, the shelter and transitional housing program located at 84 Frederick St has been redeveloped to serve 66 women and gender-diverse individuals.
    d. The Sexual Assault Support Centre of Waterloo Region has added shelter support for six individuals escaping sexual exploitation and human trafficking.

    By expanding the available supports for women and gender diverse individuals, the system is not only more responsive to significant service gaps and growing community needs but enhances safety from gender-based violence.

2. The PECH rent supplement program has the capacity to provide 166 subsidies for households currently experiencing homelessness or at risk of experiencing chronic homelessness. Through collective decision-making, participating organizations from our Co-Creator membership prioritized distribution of these subsidies with intentional accountability to those known to be in core-housing need, and those at risk of, or experiencing chronic homelessness due to systemic barriers. The results of this process led us to designate 53 subsidies to support BIPOC individuals and newcomers, 31 subsidies focused on families, 11 for age-specific groups and a further 18 subsidies focused on rural community members. The remaining 53 supplements were allocated to shelters, outreach, and for eviction prevention. Further, geographic and gender parity was implemented for agencies supporting individuals across Waterloo Region.

As of August 2025, 65 households have successfully secured housing through this supplement program. A further 96 households have allocations in action and are working with community agencies to identify and secure adequate rental housing. An additional five supplements have been reserved to respond to emergency situations

3. Porchlight and Thresholds Homes and Supports have re-committed to providing overnight space for up to 70 people to escape the cold weather for the 2025/2026 winter season. Between January and April of 2025, these warming centers were regularly near or at their nightly capacity and served more than 400 unique people. The sites will be operating beginning in November with Porchlight operating in Cambridge and Thresholds operating in Kitchener. We are also continuing to support the townships through coordinated supplies, and our rural engagement strategy will look to identify effective winter warming options and supports suited to the realities of a rural context.

Structural Change

Upstream structural change is essential for systems change, as it involves reforming the policies, processes, and service arrangements that have inadvertently contributed to or maintained high rates of homelessness. The PECH has committed to investing in upstream reform to better understand and adapt our system's policy frameworks and make informed decisions. We have begun an audit of the Housing and Homelessness System, democratized decision-making for resource allocation, and will strengthen our

understanding of our data to create evidence-based strategies for future investments. The following actions have been implemented to create fundamental shifts in our system:

1) Policy research consultants from Wilfrid Laurier University, with expertise in issues related to housing and homelessness have been onboarded to revise and develop frameworks to guide operations at the service level in a way that will end chronic homelessness. These frameworks will focus on the principles of Housing First and Housing as a Human Right, and integrate cultural competency, anti-oppression, and GBA+ lenses.

2) The PECH has improved resource allocation to better reflect community priorities using a participatory decision-making process. Resources were made available for the purpose of supporting Co-Creator member organizations' workforce, service users, and the wider community. In the first two iterations of this process, Co-Creator members voted on eligible proposals, and resources were allocated based on Co-Creators' identified priorities. Co-Creator's shared in feedback that this process brought the group together rather than having organizations directly compete for resources. To date, fifteen unique external projects have been resourced and launched through this process.

Relational Change

Systems change is as much about transforming how the community works together to co-ordinate action as it is about changing policies or procedures. The PECH is nurturing relational change through its monthly Co-Creator meetings, within our Co-ordination Team as well as in our Constellations, ensuring collective approaches inform each.

1) Monthly Co-Creator meetings continue to see high attendance of 60 or more people and provides community members with time to collaborate, network, share knowledge, and work on collective solutions. In feedback, Co-Creators noted that they valued the opportunity to break down interagency siloes, communicate directly with Region of Waterloo staff, and re-focus from individual to collective priorities. In addition, data presentations at Co-Creator meetings have promoted accountability and improved transparency as community members could raise key data gaps and request new data indicators with Region Staff.

2) The PECH Co-ordination Team launched in June and is comprised of nine community leaders elected from within the Co-Creators and two Region of Waterloo staff members. This de-centralized leadership group ensures that key deliverables continue to align with PECH values and the community's priorities. By distributing project management and decision-making, the PECH is strengthening relationships between government, service providers and community members with lived experience of homelessness.

3) The PECH Co-ordination Team also steers the activities of our action-focused teams ("Constellations") three of which are currently underway:
    - Developing a comprehensive and integrative lived expertise process
    - Creation of an Older Adults Strategy
    - Creation of a Rural Strategy.

Of note, local leaders are spearheading the co-creation of the Rural Homelessness Strategy to address the unique needs of people at risk of, or experiencing homelessness across the four townships of Wellesley, Woolwich, Wilmot, and North Dumfries. Engage Rural is a collaborative of eight health and social service agencies providing services in the townships. Through years of collaboration, Engage Rural members have developed a deep understanding of local homelessness realities and effective solutions. By recognizing the unique nature of rural homelessness, including hidden forms and data challenges, this strategy bridges service gaps, strengthens system accountability, and enhances the mission to end chronic homelessness in a just and rural-inclusive manner.

Further, Co-Creators have been developing the foundation for three additional Constellations:

- An Inflow Constellation- focused on working upstream to create systems change that prevents experiences of chronic homelessness;
- An Active Constellation- focused on incremental changes to our current system to enhance responsiveness to experiences of chronic homelessness, further supporting the goal that any experiences of chronic homelessness are brief and less traumatic;
- An Outflow Constellation – focused on building housing options to prevent recurrence, including drawing in investments and alignment for more deeply affordable and supportive housing across our municipalities.

4) In addition, a contingent group was established to create a prototype response to PECH action 2.3- the establishment of REDI-specific partnerships, strategies, and funding streams to advance equitable homelessness response supports and initiatives to build capacity. This group is responding to the unique needs of equity-owed communities who are disproportionately affected by chronic homelessness. This working group is comprised of five organizations founded, led, and operated by racialized and Indigenous community members, all with an enduring commitment to ending homelessness in Waterloo Region. Members are actively working on systems change through relationship development between government and grassroots groups, equity-focused research, inclusive policy creation, and removing systemic barriers to build more inclusive services. Further, these agencies are piloting a service navigation project in 2025, which focuses on building and sustaining organizational capacity and providing direct service solutions that remove the unique barriers faced by equity-owed groups around housing and homelessness.

Conclusion

Creating systems change around housing and homelessness is a complex, long-term effort. The PECH highlights how meaningful progress, such as expanding equity-driven services, implementing participatory decision-making, and strengthening inter-agency collaboration can emerge from a collective, community-based approach. Despite notable successes like new shelter spaces, targeted rent supplements, and democratic funding processes, significant challenges remain. These include further responding to the rise in chronic homelessness, addressing policy gaps, and shifting resource allocation from the Federal and Provincial orders of government as they relate to growing and complex needs.

This process is inherently challenging, requiring time, trust, and the willingness to build a more responsive, equitable, and collaborative system across all levels of government and civil society. This report showcases the great effort of many that are contributing to the foundation that will help propel our efforts towards a more just, coordinated, and sustainable system. A system that not only responds to chronic homelessness but actively works to prevent it by addressing its root causes.