

Moncton 1,000-Room Shelter Business Case

1. Executive Summary

- **Problem:** Moncton is the primary service hub for southeastern New Brunswick and is facing a disproportionate and escalating homelessness crisis. The city's 2023 Point-in-Time (PiT) count confirmed a sharp increase in the unhoused population, with a very high rate of chronicity, indicating long-term and recurring homelessness [1, 2, 3]. Provincial leadership and investment are required to address a crisis that has outstripped municipal capacity.
- **Solution:** A 1,000-room, low-barrier, 24/7 shelter-with-supports facility, delivered in two phases. This initiative will use rapid-deployment modular construction on provincially controlled or designated land and will be fully integrated with the provincial By-Name List and Coordinated Access System to create clear pathways into supportive and permanent housing [4, 5, 6].
- **Ownership & Operations:** The Province of New Brunswick (via NB Housing Corporation, a crown corporation of the Department of Social Development) will own the capital assets and provide the full operational funding envelope [7, 8, 9]. Experienced non-profit operators will be contracted to manage daily services, while the City of Moncton provides land-use approvals, permitting, and site-servicing connections.
- **Scale & Cost:**
 - **Capital:** \$180M–\$220M CAD. This estimate is based on a per-unit cost of approximately \$160,000 for private-room modular units, plus additional allowances for site works (10-15%) and a contingency (15%) for inflation and supply chain risks [10, 11, 12].
 - **Operating:** \$30M–\$40M CAD per year. This is calculated on an estimated \$30,000–\$40,000 per bed-year, inclusive of 24/7 staffing, case management, health services, food, security, and maintenance [13, 14, 15].
- **Funding Stack:** Operational expenditures (OPEX) will be provincially funded. Capital expenditures (CAPEX) will leverage federal programs, including the Canada Mortgage and Housing Corporation's (CMHC) Rapid Housing Initiative (RHI) and the Housing Accelerator Fund (HAF) [16, 17, 18]. Rent supplements from the Canada Housing Benefit will be used to facilitate exits to permanent housing [19, 20].
- **Expected Outcomes:** Achieve a 30–40% reduction in unsheltered homelessness within two years. Reduce the median shelter stay to under 45 days. Successfully transition at least 35% of clients annually into permanent housing, aligning with outcomes from similar high-support models in other jurisdictions [21, 22, 23].

2. Context & Need

- Moncton's 2023 PiT count, conducted by the Greater Moncton Homelessness Steering Committee, identified 397 people experiencing absolute homelessness, a 147% increase since the 2021 count [1, 24, 25]. Of those surveyed, 78% were experiencing chronic homelessness (homeless for 6+ months in the past year), underscoring the deep-rooted nature of the crisis [1, 2, 26]. The city's shelters consistently operate at or above capacity, and a significant number of individuals from surrounding rural areas migrate to Moncton for services, further straining resources [27, 28].

- Under the *New Brunswick Housing Corporation Act*, NB Housing holds the provincial mandate for developing and managing housing programs, including shelters and supportive housing for vulnerable populations [7, 29]. Municipalities like Moncton are critical partners for zoning and infrastructure but lack the legislative authority and tax base to fund large-scale health and social service operations sustainably [30, 31].
- National data from Infrastructure Canada's Reaching Home program confirms that communities across the country are seeing success by combining high-capacity, service-intensive temporary accommodations with a robust Coordinated Access system. This model prevents long-term shelter dependency and prioritizes movement into permanent housing [4, 32, 33].

3. Program Design

Phase 1 (0–9 months)

- **Scope:** 400 private rooms across two purpose-built hubs (200 rooms each).
- **Construction:** Industrialized/modular building assemblies will be used to ensure rapid deployment, with units constructed off-site while site servicing is completed in parallel [10, 34, 35].
- **Services on-site:** A "no wrong door" approach featuring integrated intake and triage, primary health care clinics, addictions and mental health support, government benefits navigation (social assistance, disability), dedicated housing placement workers, and culturally specific supports for Indigenous clients.
- **Goal:** Immediately address the public health and safety crisis of unsheltered homelessness and begin rapidly assessing and diverting individuals into appropriate housing streams.

Phase 2 (6–18 months)

- **Scope:** An additional 600 rooms designed as flexible bridge housing. These modular units can be converted to permanent supportive housing in the future, providing a long-term community asset [36, 37].
- **Specialized pods:** To meet diverse needs and improve safety, dedicated and physically separate pods will be established for: women and gender-diverse individuals; couples; individuals with high medical vulnerability or requiring palliative support; those needing stabilization post-detox; and youth (16-24) [38, 39, 40].
- **Goal:** Expand overall capacity and provide tailored environments that reduce conflict, improve stability, and address the specific barriers faced by different subpopulations.

4. Operating Model

- **Coordinated Access:** The facility will be fully integrated with New Brunswick's By-Name List using the Homeless Individuals and Families Information System (HIFIS) software [41, 42, 43]. This ensures all intake, service provision, and housing exits are tracked in real-time, allowing for system-wide prioritization and performance management.
- **Staffing Ratios:**
 - **Phase 1 Hubs:** Target of 1.2–1.6 full-time equivalent (FTE) staff per 10 clients to provide intensive case management and navigation for a high-acuity population.
 - **Phase 2 Bridge Housing:** Target of 0.8–1.0 FTE per 10 clients for a population that is more stabilized and actively working on housing plans.
- **Peer Support:** Peer and Indigenous navigators with lived experience will be embedded in

all teams to build trust, ensure equitable service delivery, and improve client engagement [44, 45, 46].

5. Capital & Operating Economics

- **Capital Costs:** The all-in capital cost is estimated at \$180M–\$220M. This is based on a per-unit cost of approximately \$160,000 for high-quality, durable modular units with private bathrooms, which is consistent with recent projects funded under CMHC's RHI program [10, 11, 12]. This figure includes a 10–15% allocation for site servicing (water, sewer, electrical) and a 15% contingency.
- **Operating Costs:** The annual operating budget is estimated at \$30M–\$40M. Research and data from Canadian shelters and supportive housing projects show that all-in operating costs for high-support facilities typically range from \$30,000 to \$40,000 per bed per year (\$82 to \$110 per day) [13, 14, 15]. These costs are significantly offset by reductions in emergency services, hospitalizations, and justice system interactions for the housed population [47, 48, 49].
- **Construction Timeline:** Modular construction dramatically shortens the build timeline. Once site approvals are secured, units can be fabricated in-factory while site servicing occurs. Installation and commissioning can be completed in approximately 3-4 months, making the timeline primarily dependent on administrative and approval processes [34, 35].

6. Funding & Delivery

- **Province (NB Housing/Social Development):** Acts as the project owner and commissioning authority. Provides the primary capital investment (leveraging federal funds) and the full, long-term operational funding envelope. Will manage outcome-based contracts with non-profit operators [7, 8].
- **Federal Government:**
 - **Reaching Home:** Provides funding to the community entity for Coordinated Access system staff and data management support [32, 33].
 - **CMHC RHI / HAF:** Capital grants that can cover a significant portion of modular construction costs, reducing the net provincial capital outlay [16, 17, 18].
 - **Canada Housing Benefit:** Provides a portable rent supplement paid directly to clients, making private market units affordable and accelerating housing exits from the shelter [19, 20].
- **Municipal (City of Moncton):** Provides a land contribution (either through direct ownership or a long-term, no-cost lease), expedites planning and permitting approvals, and provides capital for connecting the site to municipal water, sewer, and road infrastructure [30, 31].
- **Non-profits:** Experienced social service agencies will be selected via a competitive Request for Proposals (RFP) process to operate the facilities and deliver client services.
- **Health Authorities (Horizon/Vitalité):** Partner to embed clinical teams directly on-site, providing primary care, mental health, and addictions treatment to remove barriers to access.

7. Governance & Risk

- **Oversight:** A dedicated Program Office will be established within the Department of Social Development, led by a senior director with an external Owner's Representative contracted for specialized project management oversight (PMO).
- **Data & Reporting:** Performance will be tracked via integrated HIFIS data and reported publicly through monthly dashboards showing inflows, exits to housing, length of stay, and equity outcomes [41, 42].
- **Key Risks & Mitigations:**
 - **Community Opposition:** Mitigated through early and transparent stakeholder engagement, the formation of a Community Liaison Committee, and the implementation of Good Neighbour Agreements with operators [50, 51, 52].
 - **Capex Inflation / Supply Chain Delays:** Mitigated by using fixed-price contracts with modular manufacturers and including a robust 15% contingency fund in the budget [11, 12].
 - **Throughput Failure (Clients "Stuck" in Shelter):** Mitigated by creating a dedicated housing placement team within the shelter, securing a block of portable rent supplements (Canada Housing Benefit), and establishing partnerships with landlords [19, 22].

8. Key Performance Indicators (KPIs)

1. **Shelter Access:** Maintain a bed availability rate of $\geq 95\%$, with an average wait time for placement from the By-Name List of < 2 hours.
2. **Client Stability:** $\geq 85\%$ of clients maintain continuous shelter engagement (or exit to housing) for at least 30 days.
3. **Exits to Housing:** $\geq 35\%$ of all clients who enter the shelter exit to permanent housing annually.
4. **Length of Stay:** Reduce the median length of stay to < 45 days by the end of Year 2.
5. **Health/Justice System Impact:** Achieve a documented 20% reduction in average monthly emergency room visits and police encounters per client, measured 6 months post-intake compared to 6 months prior [47, 48, 49].
6. **Equity Outcomes:** Track and report on housing outcomes for Indigenous and 2SLGBTQI+ clients, with targeted strategies implemented to close any identified service gaps.

9. Implementation Timeline

- **Weeks 0–8:** Finalize site selection and conduct due diligence. Issue RFPs for modular design-build contracts and non-profit operators. Launch formal stakeholder engagement.
- **Months 3–6:** Complete site servicing and foundation work. Modular units are concurrently produced in-factory. Key staff are hired and trained.
- **Month 6:** First 200-room hub is commissioned and opened for intake.
- **Months 6–9:** Second 200-room hub is commissioned and opened.
- **Months 9–18:** The 600 bridge housing units are commissioned and opened in phases, with specialized pods and embedded clinical services activated.

10. Decision Package

1. **Approve** a capital expenditure (CAPEX) envelope of \$200M (mid-point estimate) for

- 1,000 rooms and an operational expenditure (OPEX) envelope of \$35M per year.
2. **Authorize** NB Housing Corporation to enter into funding agreements with CMHC for the Rapid Housing Initiative and Housing Accelerator Fund, and with ESDC/Infrastructure Canada for Reaching Home alignment.
3. **Direct** the City of Moncton, through a formal Memorandum of Understanding, to provide a serviced land parcel under a long-term lease and expedite all necessary municipal approvals.
4. **Launch** RFPs for: a) modular design-build services; b) site servicing and construction; c) non-profit service operation; and d) integrated clinical support from Regional Health Authorities.
5. **Establish** a Program Office within the Department of Social Development, mandated to provide oversight and publicly report on performance dashboards aligned with federal and provincial homelessness strategy goals.

References

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Additional Readings

- **National Housing Strategy Act (2019):** Legal framework establishing the right to adequate housing in Canada. laws-lois.justice.gc.ca/eng/acts/N-11.2/
- **Canadian Alliance to End Homelessness (CAEH) - The 20,000 Homes Campaign:** A national movement of communities working to end chronic homelessness. caeh.ca/20000-homes/
- **Homeless Hub - Solutions Database:** A searchable database of evidence-based practices and interventions to address homelessness. homelesshub.ca/solutions